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# ***Daily Report***

## **China**

FBIS-CHI-93-200  
Tuesday  
19 October 1993

# Daily Report

## China

FBIS-CHI-93-200

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19 October 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### Delegate Appeals for World Economic Order

OW1910035093 Beijing XINHUA in English 0324  
GMT 19 Oct 93

[Text] Ottawa, October 18 (XINHUA)—A Chinese delegate said here today that the unfair, unjust and irrational international economic order must be changed and each nation should rely on its own effort and strength for economic development.

Zhou Jue, member of the Standing Committee of the Chinese National People's Congress, told a meeting that in an effort to achieve global prosperity, the developed countries should make contributions to the improvement of the international economic environment, particularly to the solution of the debt problem facing the developing countries.

"There is a need to start a new and meaningful round of north-south dialogue, with a focus on providing a solution to such pressing problems facing the developing countries as debt, trade, capital, finance and environment," he told the inter-parliamentary conference on "North-South Dialogue for Global Prosperity" which opened here today.

According to figures released by the North-South Institute in Ottawa, countries in South America, the Middle East, northern Africa and elsewhere are in an "aid deficit position"—paying more in debt servicing than they get in aid.

Zhou also said that while the world is moving toward multipolarization and many differences exist between countries and regions, any attempt to impose a fixed model upon others is either unrealistic or inapplicable.

At present, he said, each country has the right to choose its economic models and development path and such right should be fully recognized and respected.

Zhou also criticized the "politicization of economic question." "Some developed countries impose on the others their own political and economic models and values. They often attach certain political conditions to their assistance or loans for the developing countries which, naturally, deserves resentment and objection of most developing countries," he said.

The conference is organized by the Geneva-based Inter-Parliamentary Union (IPU), the world's oldest association of parliamentarians. About 150 delegates from more than 50 countries and organizations are attending the meeting.

Michael Marshall, president of the inter-parliamentary council to the conference, said at the meeting that one-third of the world's population now faces the problems of abundance of food production while two-thirds live at or below subsistence levels. This is unacceptable, he declared.

"During our week in Ottawa we will not come up with simple solutions to long-standing problems but it is surely evident that it is incumbent upon us to ensure that the

dialogue becomes stronger and more fruitful and above all avoids the breakdown caused by protectionism and isolationism," he said.

In his message to the conference, UN Secretary General Butrus Butrus-Ghali said reform of the international economic environment cannot be dissociated from economic reform in the developing world. Both are essential if a fruitful dialogue is to take place, he added.

John Fraser, speaker of the Canadian House of Commons, emphasized at the meeting that the world is facing an environmental crisis, a challenge that binds both north and south.

The countries of the wealthy industrialized world comprise only 20 percent of the world's population, yet consume 80 percent of the world's resources and create an equivalent amount of the earth's pollution, he said.

Fraser called on all the countries in the world to work together to seek solutions and embrace the philosophy of sustainable development. No one country with its own concept of sovereignty can solve the problem, he said.

### International Symposium Notes Population 'Crisis'

HK1410153393 Beijing ZHONGGUO XINWEN SHE  
in English 1340 GMT 14 Oct 93

[Text] Beijing, October 13 (CNS)—Head of the Chinese Academy of Sciences, Mr. Zhou Guangzhao, speaking at an international symposium being held here, said that faced with the increased demand for resources by the expanding population and rapid economic growth, China was at a critical stage with the country bearing a very serious situation regarding the supply of resources and the largest population the country had ever seen. If the country failed to take effective measures in time, an overall crisis of resources would surely occur in the future.

According to Mr. Zhou, China's population will reach or even exceed 1.5 billion in the 2020s or 2030s and at that time, the per capita farming land will drop to 1.2 mu and the per capita water resources will be only 1,800 cubic metres. At present, the country was, except for coal, seeing a shortage of the main mineral products and their resources. Among the 45 main minerals, 11 of them were already insufficient to meet the country's needs. If there was no big breakthrough in its geological prospecting, the country would see half of its mineral products no longer able to meet its demands by the end of this century and petroleum, one of its key forms of energy, would be in seriously short supply.

Mr. Zhou said that in the next 30 years, only by having a method of high input with low demand could the country keep a balance between supply and demand of resources. It would be hard for the per capita grain supply to surpass 500 kilograms, petroleum would be in short supply and the energy structure with coal as its main part could not be changed. Stresses facing transportation resulting from this situation together with environmental pollution and the

shortage of capital would be the main problems blocking the development of the economy in the country in the coming period.

Mr. Zhou called for the establishment of a national economic system featuring low resources consumption in order to ease the contradiction between the supply of resources and their demand.

### **Academic Conference on Mao Zedong Poems Ends**

*HK1810110293 Beijing XINHUA Hong Kong Service in Chinese 1340 GMT 11 Oct 93*

[By correspondents Chen Yonggen (7115 3057 2704) and Zhang Chi (1728 1716): "National Academic Conference on Mao Zedong's Poems and Traditional Chinese Poetry, First of Its Kind, Concludes in Jiangxi's Shangrao"]

[Text] Nanchang, 11 Oct (XINHUA)—The national academic conference on Mao Zedong's poems and traditional Chinese poetry, the first of its kind, recently concluded in Shangrao City, Jiangxi Province.

Mao Zedong's poems are full of vigor, power, grandeur, and elegance. Many masterpieces are unparalleled in history. In order to commemorate the centennial of Mao Zedong's birth and to promote the national culture, 135 domestic and overseas institutions jointly organized an academic conference on Mao Zedong's poems and traditional Chinese poetry, which was the first of this kind. During the conference, more than 20 experts, scholars, and poets read their papers. They systematically and profoundly studied and expounded the great significance and historical sources of Mao Zedong's poems as well as their impact on Chinese and foreign traditional poetry and their status in, impact on, and contributions to China's cultural history and the creation and development of contemporary poetry.

Yang Chengwu, Mo Wenhua, Zang Kejia, Ruan Zhangjing, and other people wrote poems and words for the commemoration activity. Famous people in the United States, Britain, France, Japan, Hong Kong, Macao, and Taiwan sent letters of congratulation and telegrams to the conference. More than 170 experts, scholars, people from various social circles, and Overseas Chinese representatives attended the conference.

### **United States & Canada**

#### **Official Views Future of Sino-U.S. Trade Ties**

*HK1810120393 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 17-23 Oct 93 p 1*

[By staff reporter Wang Yong: "American VIPs Plan To Visit Soon"]

[Text] Despite a few lingering sore spots, Sino-U.S. trade will continue to grow for the rest of this year, a senior Chinese official says.

"There's one special positive sign (for stronger momentum): More high level U.S. Government officials and

CEOs of huge companies are making a flurry of visits to China," says Sun Zhenyu, director general of the Oceanian & American Affairs Department at the Ministry of Foreign Trade and Economic Co-operation (Moftec).

U.S. governors from six states, namely Virginia, Missouri, Iowa, Massachusetts, Wisconsin and Nebraska, have completed or plan visits from September to the end of this year.

They will be accompanied by major local companies seeking investment in China, Sun said in an interview with *Business Weekly*.

"This poses a sharp contrast to the fact that no U.S. governors visited China between June 1989 and this August," he added.

Sun says China remains a huge magnet for U.S. business, although it has taken credit-tightening measures to rein in runaway investment at home.

"U.S. companies are attracted especially by Shanghai's Pudong New Area, the Chiang Jiang River Delta and the Pearl River Delta regions," he points out.

Chinese Customs figures show that Sino-US trade in the first nine months of this year hit a record high of \$17.98 billion, making the U.S. China's third largest trading partner after Hong Kong and Japan.

Available figures put U.S. promised investment in China by the end of March at \$9.34 billion in 6,383 projects.

The actual input was \$3.1 billion, making it the third-largest overseas investor in China after Hong Kong and Taiwan.

Major U.S. exports to China include furnaces, machinery products, nuclear power equipment, electric equipment and transportation facilities.

Top Chinese exports are textile raw materials and finished products, shoes, machines and some mineral and chemical products.

Sun notes the two countries have yet to crack such hard nuts as textile disputes and the U.S. annual review of most-favoured-nation status (MFN) to China.

"We insist the U.S. eliminate its annual review mechanism once and for all," he said.

"(The mechanism) is the rock-bottom problem which has been haunting our bilateral trade development," he explains.

China also opposes any unilateral action by the U.S. to reduce quotas for Chinese textile imports.

Sun hopes the upcoming Asia-Pacific Economic Conference to be held in Seattle next month will yield "positive results in pushing forward bilateral relations." He emphasized two facts which bolster his optimism about U.S. business expansion in China: One is that China has made great progress in protection of intellectual property rights.

"China attaches importance to such protection and is ready to emulate the successful experience of other countries and regions in this regard," Sun says.

China held its first international software copyright enforcement seminar in Beijing on Wednesday. It was organized by the U.S.-based Business Software Alliance (BSA).

Sun adds China also has launched a new drive to enhance the transparency of its foreign trade policies.

The State Council and Moftec have decided to publish all effective trade laws and regulations in a regular special bulletin.

"We will implement only those published in bulletins beginning from October 10.

### **U.S. Secretary Espy Attends Opening of Talks**

OW1910105793 Beijing XINHUA in English 0947  
GMT 19 Oct 93

[Text] Beijing, October 19 (XINHUA)—The members of the Sino-U.S. joint working group on agricultural cooperation in science and technology met here today for the ninth time to explore agricultural cooperation between China and the United States.

Chinese Agricultural Minister Liu Jiang, and U.S. Secretary of Agriculture Mike Espy, attended the opening ceremony of the meeting.

Both China and the United States have their own superiority in agricultural production, science and technology as well as agricultural education, Liu said, and the prospects for bilateral cooperation in agriculture are promising.

Since the agricultural exchanges between the two countries started in the 1970s, such exchanges and cooperation have seen constant development, which has helped promote agricultural production, research and education, he said.

The minister said that the ways and contents of bilateral agricultural cooperation can be constantly readjusted, renewed and enriched along with the advancement of science and technology, agricultural production and means of scientific research.

More comprehensive exchanges and cooperation can be conducted in the fields of basic theory and applied science and technology, he said.

According to sources, 20 agreements will be signed here tomorrow concerning Sino-U.S. projects of agricultural cooperation in science and technology.

The U.S. secretary of agriculture arrived in Beijing last Saturday [16 October].

### **Zou Jiahua Meets With Exxon Official**

OW1810132793 Beijing XINHUA in English 1256  
GMT 18 Oct 93

[Text] Beijing, October 18 (XINHUA)—China would like to cooperate with foreign companies in oil exploitation on

the basis of equality and mutual benefit while adhering to the principle of self-reliance in developing the industry, Chinese Vice-Premier Zou Jiahua said here today.

During his meeting in Diaoyutai State Guesthouse with Melvin Harrison, senior vice-president of the U.S. Exxon Company, Zou said that the need for energy resources in China was increasing quickly with the rapid development of China's economy.

"The Chinese Government attaches great importance to oil exploration and exploitation," Zou said. It not only encourages the domestic oil companies to develop the oil industry through self-reliance, but also supports them to establish cooperative ties with concerned foreign companies.

"This is in accordance with China's policies of reform and opening to the outside world," he added.

Harrison expressed his appreciation of China's reform and opening policies. He said that there was great potential for oil exploitation in many basins in China, and the Exxon Company would like to cooperate with China in this field with its advanced technology.

Harrison told Zou that his company would shortly enter the bidding for oil exploitation in southeast areas of the Tarim Basin in Northwest China's Xinjiang Uygur Autonomous Region, where Chinese oil companies are seeking cooperation with foreign companies.

He also expressed hopes for the establishment of "long-term cooperative relations" between his company and the Chinese side.

The two sides also discussed the possibilities of cooperation in other relevant fields.

The Exxon Company is the second largest company and the largest oil company in the United States.

Harrison and his five-strong entourage arrived here yesterday on a one-week visit to China as guests of the China National Petroleum Corp. They will also inspect the Tarim Basin and other oil fields.

### **Song Jian Meets Chairman of Hughes Corporation**

OW1810170493 Beijing XINHUA in English 1547  
GMT 18 Oct 93

[Text] Beijing, October 18 (XINHUA)—Chinese State Councillor Song Jian met here today with C. Michael Armstrong, chairman and executive president of the Hughes Corporation of the United States.

Song expressed his appreciation for the company's cooperation with China in the area of aero-space, adding that the president's current visit is "successful".

He also thanked Armstrong and his company for the efforts they had made in improving Sino-U.S. relations, expressing the hope that the two sides would continue the efforts and overcome difficulties, so as to score fresh successes in cooperation in various areas.

Armstrong said that he would make more efforts for the expansion of such cooperation.

Leaders of the China aero-space company were present at the meeting.

### Central Eurasia

#### Kazakh President Nazarbayev Pays Official Visit

##### Assesses Relations Prior to Departure

*OW1910102393 Beijing XINHUA Domestic Service in Chinese 0629 GMT 16 Oct 93*

[By XINHUA reporters Sun Zhanlin (1327 0594 2651) and Hu Xiaoguang (5170 2556 0342) and JINGJI RIBAO reporter Li Lei (2621 7191)]

[Text] Almaty, 16 Oct (XINHUA)—In an interview with these reporters on the eve of his China visit, Kazakhstan President Nazarbayev stressed that Kazakhstan gives priority in its foreign policy to developing relations with China, and his forthcoming visit to China is aimed at establishing close, friendly relations of mutual trust between the two countries.

Nazarbayev said: He visited China in 1991. The Kazakhstan prime minister and the chairman of the Kazakhstan Supreme Council visited China last year and this year, respectively. He pointed out: Kazakhstan and China have signed 15 agreements, a result of increased contacts between the two countries.

Nazarbayev stressed: Positive development has been made in economic and trade relations between Kazakhstan and China over the past two years, and China is Kazakhstan's largest foreign trade partner. Kazakhstan's trade with China was \$430 million last year, accounting for 22 percent of its total foreign trade volume. Now 20 large Kazakhstan enterprises are doing business with Chinese counterparts and have exported more than 40 kinds of industrial products and raw and semifinished materials to China. Fifteen Sino-Kazakhstan joint ventures have been set up, and many Kazakhstan cities have shops selling Chinese goods. The two sides are now studying the possibility of cooperation in the fields of metallurgy, the chemical industry, and geology.

On the domestic situation, Nazarbayev said: Kazakhstan's stable political situation has attracted a large amount of foreign funds. Kazakhstan is expected to get \$900 million in loans this year and \$1.7 billion next year. Kazakhstan has signed agreements with petroleum companies from the United States and other Western countries under which joint efforts will be made to open up Kazakhstan's oil fields. He hoped Chinese companies would come here to undertake large cooperation projects.

Nazarbayev emphasized: Kazakhstan is a multinational country. Pursuing a policy of equality among all nationalities is the foundation for maintaining the stability of the country. The things that have occurred in some other CIS member countries are not allowed to occur in Kazakhstan.

In conclusion, Nazarbayev said: Both Kazakhstan and China are Asian countries that should join hands to solve problems in the region. He hoped he could find a common language with China in this regard.

#### Arrives 18 Oct

*LD1810114893 Moscow ITAR-TASS World Service in Russian 1042 GMT 18 Oct 93*

[By ITAR-TASS correspondent Vladimir Oreshin]

[Text] Beijing, 18 Oct—Kazakh President Nursultan Nazarbayev arrived in China today for an official visit. A formal welcoming ceremony was held in Tiananmen Square in the city center. The distinguished Kazakh guest was greeted by PRC President Jiang Zemin.

The welcoming ceremony was attended by Qian Qichen, vice premier of the PRC State Council and foreign minister, and Chen Muhua, vice chairman of the National People's Congress Standing Committee.

President Nazarbayev is being accompanied on the visit by Syzdyk Abishev, Kazakhstan's deputy prime minister and minister for foreign economic relations, and by other officials.

#### Welcomed by Jiang Zemin

*OW1810134293 Beijing Central People's Radio Network in Mandarin 1030 GMT 18 Oct 93*

[From the "National Hookup" program]

[Text] President Nazarbayev of the Republic of Kazakhstan arrived in Beijing by special plane this afternoon on an official visit at the invitation of President Jiang Zemin. His wife is among those who are accompanying him during the visit. President Jiang Zemin held a grand ceremony to warmly welcome President Nazarbayev on the plaza in front of the east gate of the Great Hall of the People.

At 1630 hours, when President and Mrs. Nazarbayev, accompanied by Ai Zhisheng, chairman of the reception committee and minister of the Ministry of Radio, Film and Television, and Ai's wife (Qi Huiquan), arrived at the plaza, President Jiang Zemin warmly shook hands and exchanged greetings with them. Two Young Pioneers presented flowers to the visiting president and his wife. President Nazarbayev and President Jiang Zemin ascended the reviewing stand. A military band played the national anthems of the two countries amid a 21-gun salute. Then, Nazarbayev, accompanied by Jiang Zemin, reviewed a guard of honor composed of members of the army, navy, and air force of the Chinese People's Liberation Army.

After the ceremony, Nazarbayev and Jiang Zemin walked into the Great Hall of the People and the two sides held talks. After the talks, Jiang Zemin and Nazarbayev signed a joint statement on the basis of Sino-Kazakh relations. At the same time, the two leaders attended a ceremony for signing a citizen's official travel agreement and an air transport agreement between the Chinese Government



and the Kazakh Government, as well as the 1993-1994 cultural cooperation plan between the ministries of cultural of the two countries.

Present at the welcome ceremony were Qian Qichen, Vice Premier and Foreign Minister; Chen Muhua, vice chairman of the National People's Congress Standing Committee; Huang Daneng, vice chairman of the central committee of the China Democratic National Construction Association; and Huang Zhendong, Minister of Communications.

President Jiang Zemin hosted a banquet in honor of President Nazarbayev and his party in the Great Hall of the People this evening.

#### **Signs Joint Statement on Relations**

*OW1810143293 Beijing XINHUA in English 1420  
GMT 18 Oct 93*

[Text] Beijing, October 18 (XINHUA)—Chinese President Jiang Zemin and Kazakhstan President Nursultan Nazarbayev signed a joint statement on the basis of bilateral friendly relations here this evening.

Three other documents of cooperation were also signed today between China and Kazakhstan. Chinese Foreign Minister Qian Qichen and Kazakhstan Foreign Minister T. T. Suleymenov signed an agreement on official travel.

Jiang Zhuping, director of the Civil Aviation Administration of China, and Kazakhstan Minister of Transport N. K. Ysingarin signed an air transport agreement.

A plan for cooperation between the cultural ministries of the two countries for 1993-94 was also signed.

Under the air link agreement, the two countries will open air routes from Beijing and Urumqi to Almaty.

#### **Exchanges Views With Jiang**

*LD1810143693 Moscow ITAR-TASS World Service in  
Russian 1315 GMT 18 Oct 93*

[By ITAR-TASS correspondents Grigoriy Arslanov and Vladimir Oreshin]

[Text] Beijing, 18 Oct—A thorough exchange of views on issues of political, trade, and economic cooperation between Kazakhstan and China took place during talks between Kazakh President Nursultan Nazarbayev, who arrived here today on an official visit, and PRC Chairman Jiang Zemin.

The sides took note of the positive results attained in the economic and trade sphere since diplomatic relations between the two states were established. In this connection, the significance of the first session of the combined bilateral commission on trade and economic and scientific and technical cooperation was emphasized. The leaders of the two countries believe it is vital to give a new impulse to cooperation in such top priority spheres as the metallurgical industry, agriculture, the chemical industry, machine-building, and transport.

The leaders of Kazakhstan and China, having given a positive assessment of progress on border talks, expressed the view that there could be positive progress on this so that next year the relevant agreement can be signed.

During discussion of international issues, Jiang Zemin said China views President Nazarbayev's domestic and foreign policy with understanding and respect and expressed support for his initiative to establish a system of stability and security in Asia. The heads of the two states emphasized that their cooperation on this is an important area of cooperation between Kazakhstan and the PRC.

According to Kazakh diplomats, Jiang Zemin laid out his country's position on the problem of nuclear security, stating that "in no circumstances will China be the first to use nuclear weapons against non-nuclear countries and zones, and furthermore, will not threaten neighboring countries with military force." The leaders of the two countries reached an agreement in principle on setting up a group of experts to look at the problems of the nuclear testing sites of Semipalatinsk and Lop Nor.

The talks have demonstrated the extent to which the two sides' positions on the current world situation coincide.

After the talks, Nursultan Nazarbayev and Jiang Zemin signed a joint declaration on the basis for friendly mutual relations between the Republic of Kazakhstan and the PRC, which both sides view as a basic political and legal document which defines in the long-term the scale of bilateral cooperation. Agreements on cooperation in the sphere of civil aviation, culture, and business trips by the citizens of the two countries were also signed.

#### **Discusses International Issues With Jiang**

*OW1810163493 Beijing XINHUA in English 1543  
GMT 18 Oct 93*

[Text] Beijing, October 18 (XINHUA)—Chinese President Jiang Zemin and visiting Kazakhstan President Nursultan Nazarbayev exchanged views on bilateral relations and international issues here today.

During their talks at the Great Hall of the People here, the two leaders spoke highly of the growth of bilateral ties.

Jiang said he was satisfied with the smooth development of bilateral relations in every field since the two countries established diplomatic ties, and valued highly Nazarbayev's contributions in this regard.

He emphasized the following two aspects:

Firstly, he said, "We should mutually respect, trust and cooperate with each other so as to realize common prosperity."

He said the two countries were facing a common task of developing national economies.

To develop a long, stable, good-neighborly and friendly relationship between the two countries was the common

aspiration of the two peoples, which he said would be beneficial to peace and stability in Asia and the rest of the world.

Jiang described the signing of a joint statement between the two countries as an important document guiding the further growth of bilateral ties and also as a legal basis to which the two countries should adhere later.

Secondly, Jiang said: "China completely respects the way of social and economic development that the Kazakhstan people have chosen according to their own national conditions."

In handling state-to-state relations, he said, China always opposed chauvinism, hegemonism and power politics.

At any time, China would neither interfere in Kazakhstan's internal affairs nor do anything to harm its independence or sovereignty, he stressed.

China had always cherished its friendship towards Kazakhstan and its people, he added.

He noted that Nazarbayev's current visit to China would certainly develop bilateral ties to a new level.

Nazarbayev said he highly valued the positive results that the two countries had achieved in every aspect since they established diplomatic ties, adding that these laid a good basis for furthering future bilateral relations.

He said the future development of Kazakhstan, a young country, would depend on whether it establishes close and friendly relations with its neighbors, with China in particular.

China, as a big country, was playing a very important role in the international arena, particularly in Asia, he said.

"I fully agree with what Jiang has said that to develop a long, stable, good-neighborly and friendly relationship between China and Kazakhstan is the common aspiration of the two peoples, which will benefit peace and stability in the region and the rest of the world," he said.

Referring to bilateral economic ties and trade, Jiang said bilateral economic ties and trade were an important part of bilateral relations.

He said China and Kazakhstan were mutually supplementary in the fields of economy, science and technology.

China attached importance to bilateral economic ties and cooperation and encouraged Chinese economic and trade departments, companies and enterprises to conduct various kinds of cooperation with Kazakhstan and constantly raise the quality and level of such cooperation, Jiang said.

Nazarbayev said Kazakhstan also attached importance to its economic cooperation and trade with China. China is one of the largest trading partners of Kazakhstan.

"We are interested in China's economic reform experiences, its experiences in the establishment of a market economy in particular," he said.

On security in Asia and the Pacific region, Jiang said he appreciated the efforts that Kazakhstan and its president have made in safeguarding security and stability in Asia.

He said China was willing to conduct dialogue and cooperation with Kazakhstan on the establishment of trust and the promotion of security and cooperation in the region.

On this issue, the two countries had much in common, he said.

Jiang said the countries in central Asia are close neighbors of China. "We sincerely hope that the countries in central Asia are politically stable, economically prosperous, people are living and working in peace and contentment and countries are in good harmony."

Nazarbayev thanked China for its support to the proposal raised by Kazakhstan on the establishment of a security and cooperative system in Asia.

He said the world was developing in the direction of multi-polarization. No country in the world should impose its points of view on other countries, nor interfere in other countries' internal affairs.

He said that encouragement of national splits would never be allowed. Small and medium-sized countries should have their own voices in the United Nations.

The talks proceeded in a cordial and friendly atmosphere.

At the end of the talks Nazarbayev invited Jiang to visit Kazakhstan at a time convenient to him. Jiang accepted the invitation with pleasure.

Qian Qichen, vice-premier and foreign minister, and Ai Zhisheng, chairman of the Chinese Government Reception Committee and minister of radio, film and television, took part in the talks.

Also present were S.R. Abishev, Kazakhstan's deputy prime minister and minister of foreign economic relations, and T.S. Suleymenov, minister of foreign affairs, who are accompanying the president on the visit.

Before the talks, Jiang held a welcoming ceremony for Nazarbayev at a plaza east of the Great Hall of the People.

Accompanied by Jiang, Nazarbayev reviewed a guard of honor made up of three services of the Chinese People's Liberation Army.

This evening, Jiang gave a banquet here in honor of Nazarbayev and his wife and other Kazakhstan guests who arrived here by special plane this afternoon on an official visit to China at the invitation of Jiang.

### Northeast Asia

#### Hainan Vice Governor Meets Mongolian Delegation

HK1810125093 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 14 Oct 93

[Text] Yesterday afternoon in Qiongyan Hotel's Haifeng Hall, provincial Vice Governor Mao Zhijun met a six-member Mongolia-China Friendship Association delegation headed by Mr. Enebish, Mongolian deputy prime minister and Mongolia-China Friendship Association chairman.

Mao Zhijun briefed the Mongolian guests on Hainan's achievements in foreign trade, its invitation of advanced foreign technology, its establishment of lateral economic associations with the hinterland, its absorption of foreign capital, its tourism industry, and other areas over the past five years since it officially became a province. Mao Zhijun expressed the hope that Hainan Province and Mongolia would further develop bilateral trade.

Chairman Enebish said: A developing Mongolia has kept close watch over China's development and has attached great importance to Hainan's reform experiences. Mongolia is very interested in furthering bilateral trade and cooperation with Hainan.

Chen Dongwei, provincial foreign affairs office director and provincial association for friendship with foreign countries chairman, was also present at the meeting.

#### **Li Lanqing Meets Japanese Businessmen**

OW1810125393 Beijing XINHUA in English 1229  
GMT 18 Oct 93

[Text] Beijing, October 18 (XINHUA)—Chinese Vice-Premier Li Lanqing met with Nasu Sho, president of the Tokyo Electric Power Company of Japan, and Ozawas Huichilo, president of the Nikko Oil Co. Ltd. of Japan, and their parties here today.

The guests are here to attend celebrations of the 20th anniversary of Sino-Japanese oil trade and co-operation.

#### **Sino-Japanese Expedition To Explore Minya Ruins**

OW1810143693 Beijing XINHUA in English 1331  
GMT 18 Oct 93

[Text] Urumqi, October 18 (XINHUA)—A Sino-Japanese joint expedition today started a three-week investigation into the ruins of Minya, an ancient state in the south of Xinjiang Uygur Autonomous Region.

Minya, located on the banks of the Minya River in Minfeng County, was location of the state of Jingjue, one of northwestern China's 36 ancient states in the western Han Dynasty (206 B.C. - 24). The ancient state had a population of at least 3,000. It was also an important way station on the silk road.

Discovered at the start of this century, the site of the ancient state was visited frequently by foreign explorers and a host of relics were found, including scripts, books, porcelains, silk and wool fabrics, and wooden articles.

These were thought of as significant to research into central Asian cultural exchange, China's ancient history, and western China's arts, customs and institutions.

The current expedition will conduct an overall survey of the 65 square kilometers around the ruins of Minya, including distribution of the ruins, some excavations of the ancient residents' courtyards and tombs, and research on the environmental changes in the Minya River Valley.

The expedition consists of 58 scholars and their assistants from China's Huadong Teachers' University, State Bureau of Cultural Relics and Xinjiang's Cultural Department, and from Waseda, Buddhist and Kansai Universities in Japan.

#### **West Europe**

##### **Danish Foreign Minister on Official Visit**

##### **Holds Talks With Qian Qichen**

OW1810094093 Beijing XINHUA in English 0924  
GMT 18 Oct 93

[Text] Beijing, October 18 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen and visiting Danish Foreign Minister Niels Helveg Petersen conferred for 90 minutes here today on Sino-Danish relations and international issues.

Qian noted that although China and Denmark are different in social system, history and cultural tradition, they do not have any conflicts of fundamental interests. The two countries have much in common under the present fast-changing and turbulent international situation.

He continued that China and Denmark are economically supplementary to each other and there exists big potentials for greater economic cooperation and trade, thus creating many opportunities for Danish entrepreneurs to expand business in China.

Qian expressed the hope for continued expansion of greater Sino-Danish ties.

Petersen said he has been impressed by China's progress in building a socialist market economy and high-speed development of its economy.

He said the fact that dozens of noted Danish business people have also joined him in his China visit shows that the Danish business circles have great interest in the Chinese market.

He said he hoped that his visit will be a good start in the endeavor to further expand the Denmark-China economic and technological cooperation and trade.

He also told Qian that Denmark will adopt new measures in providing development fund to China.

Qian extended welcome to the Danish move, saying that such move is useful in promoting the Sino-Danish economic cooperation and trade as well as in improving the Danish firms' competitiveness on the Chinese market.

Petersen briefed Qian on the latest developments of the situation in Europe and matters concerning the European Community.

Qian outlined the political and economic developments in Asia and explained China's position on the issues.

The two ministers also exchanged views on other international issues.

After the talks, Qian hosted a luncheon in honor of Petersen and his party who arrived here yesterday.

### **Confers With Li Peng**

*OW1810130093 Beijing XINHUA in English 1235  
GMT 18 Oct 93*

[Text] Beijing, October 18 (XINHUA)—Premier Li Peng said here today that China is willing to further promote its ties of friendship and cooperation with Denmark in various fields under the five principles of peaceful coexistence.

Li made the statement during a meeting with visiting Danish Foreign Minister Niels Helveg Petersen, who arrived here yesterday on a five-day official visit.

Li noted that thanks to the efforts of both sides, marked improvement and advances have been made in the Sino-Danish relations and their scope of economic cooperation and trade has been widened in the past few years.

He pointed out that it is natural for China and Denmark to have differing views on certain issues, due to their different social and economic systems as well as cultural tradition.

However, he added, the two sides have much in common but there are no conflicts of fundamental interests between the two nations.

Li also briefed the visitor on the reform on China's political reform and how the country's economically developed regions help the poor regions in the interior parts.

Explaining why China is able to develop its economy fairly fast, Li said that one important reason is being politically stable in the country.

Noting that Denmark and China, which have always been friendly to each other, is well-cooperated in many areas, Petersen said there is still great potential for bilateral cooperation in the economic and trade fields.

He told Li that the Danish Government and businessmen adopt a positive attitude towards the expansion of Denmark-China relations.

In a brief meeting with a big group of Danish businessmen accompanying the foreign minister on the visit, Li Peng encouraged them to have more contacts with their Chinese counterparts and wished them successes in their current China trip.

### **German Chancellor Kohl To Visit 15-20 Nov**

*OW1810121393 Beijing XINHUA in English 1154  
GMT 18 Oct 93*

[Text] Beijing, October 18 (XINHUA)—At the invitation of Premier Li Peng of the State Council of the People's Republic of China, German Chancellor Helmut Kohl will pay an official visit to China from November 15 to 20.

A Chinese Foreign Ministry spokesman made this announcement here today.

### **East Europe**

#### **Polish General Arrives as Guest of PLA General**

##### **Meets With PLA Counterpart**

*OW1510135093 Beijing XINHUA in English 1303  
GMT 15 Oct 93*

[Text] Beijing, October 15 (XINHUA)—Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army (PLA), held talks today with his Polish counterpart, Tadeusz Wilecki, and his party who arrived here this morning as the guests of the PLA.

During the meeting in the Diaoyutai State Guesthouse, both sides expressed the hope to enhance exchanges and cooperation between the Chinese and Polish armies.

Zhang gave a banquet to welcome Wilecki and his entourage this evening at the Great Hall of the People.

##### **Received by Chi Haotian**

*OW1610124793 Beijing XINHUA in English 1125  
GMT 16 Oct 93*

[Text] Beijing, October 16 (XINHUA)—General Chi Haotian, Chinese State Councillor and minister of national defence, met with and feted General Tadeusz Wilecki, chief of General-Staff of Polish Armed Forces, and his party here this evening.

The Polish visitors arrived here yesterday.



## Political & Social

### Article Reviews New Book on Deng's Thoughts on Reform

HK1910111693 Beijing RENMIN RIBAO in Chinese  
15 Oct 93 p 5

[Article by Shen Peixin (3088 1014 2450): "A New Book on Studying Deng Xiaoping's Thoughts on Reform—A Review of *On Contemporary Marxist Dynamics*"]

[Text] A new book—*On Contemporary Marxist Dynamics: A Study of Deng Xiaoping's Thoughts on Reform* [dang dai ma ke si zhu yi dong li lun—deng xiao ping gai ge si xiang yan jiu 3981 0108 7456 0344 1835 0031 5030 0520 0500 6158—6772 1420 1627 2395 7245 1835 1927 4282 4496], which is mainly written and compiled by He Yongyan, was published recently by the Anhui People's Publishing House.

The book has the following characteristics:

**First, the book reflects the distinct features of the times.** Reform and opening up mark the most distinct feature of the new period. In the theoretical system of building socialism with Chinese characteristics, the most important and most distinct part is Comrade Deng Xiaoping's thoughts on reform, which pinpoint his creative development of Marxism in the new period. The book entitled *On Contemporary Marxist Dynamics* takes Comrade Deng Xiaoping's thoughts on reform as the object of study and discussion and as the main contents of such study and discussion. The author thus grasps the most substantive part of the new development of Marxism in contemporary China. In addition, when writing the book, the author, according to Deng Xiaoping's important talks during his inspection tour of the south and the spirit of the 14th party congress, made efforts to sum up the fresh experience of reform and opening up and to absorb the latest results of studies on Deng Xiaoping [deng xiao ping yan jiu 6772 1420 1627 4282 4496] at home and abroad. As a result, the book gives full expression to the distinct features and special flavor of the present time.

**Second, the book has a well-knit logical structure.** The author considers Deng Xiaoping's thoughts on reform as an integrated ideological system and has paid close attention to expounding the integrity and intrinsic relationship of Deng Xiaoping's reform thoughts. According to the author, Deng Xiaoping's thoughts on reform proceed from and also aim at building socialism with Chinese characteristics, and the fundamental methodology that brings about and develops these thoughts is to emancipate the mind and to seek truth from facts. As reform is related to the economic, political, scientific and technological, educational, cultural and other fields of social life, it is a grand and complicated social systems engineering project. Therefore, the book not only shows a complete picture of Deng Xiaoping's thoughts on reform, but also elucidates Deng Xiaoping's thoughts in specific fields and explains the intrinsic relationships between reforms in various fields. In addition, the book also discusses the relationship of Deng Xiaoping's thoughts on reform with his personal

revolutionary practice and reform practice in contemporary China, thus revealing the process of the formation and development of Deng Xiaoping's thoughts on reform from the angle of intellectual history.

**Third, the book presents a new and original view for studies. Comrade Deng Xiaoping is a staunch Marxist.** He respects the masses and respects the creative practice of the masses. The forming and development of Deng Xiaoping's thoughts on reform is closely related to the process of reform practice in the history of contemporary China. Therefore, the author did not adopt the usual deductive method in his arguments; instead, he wrote from the angle of practice and discussed a series of important thoughts on reform and opening up developed by Deng Xiaoping in his practice of leading the hundreds of millions of Chinese people to advance reform, opening up, and modernization. The author approached some major theoretical issues on the grounds of the great practice of the party and the people, and major issues included such propositions as the fundamental tasks of socialist society, reform as the major driving force for the development of socialism, opening up as an external condition for the development of socialist society, the relationship between planning and market, the relationship between the market economy and socialism, and especially Deng Xiaoping's historic status as the chief designer of China's reform and opening up. This enhances the originality and cogency of the discussion on these issues. When concretely discussing Deng Xiaoping's thoughts on reform, and even when dealing with some rather abstract theoretical issues, the author still does his best to avoid arguing in abstruse terms; instead, he tries to approach and answer questions from the angle of practice. As a result, the book explains the profound in simple and plain words, and this increases the book's readability and credibility.

### CPC Leadership Views Deng's Remark on Development

HK1910043493 Hong Kong HSIANG KANG SHANG  
PAO in Chinese 19 Oct 93 p 8

["Special dispatch" from Beijing: "The CPC Leadership Recently Discussed Deng Xiaoping's Remarks 'Development Is the Last Word' To Promote Sustained, Rapid, and Healthy Economic Development, and To Establish New Social and Political System in 20 Years"]

[Text] According to a reliable source, senior leaders of the CPC Central Committee have set the following objectives as the key topic for discussion and have placed it on the agenda: We must "lose no time in giving an impetus to reform and opening up, we must speed up the establishment of a socialist market economy, and we must promote constantly the rapid and healthy development of the economy.

A few days ago, senior leaders of the CPC Central Committee stressed several times: Deng Xiaoping's remark, "Development is the last word" [fa zhan cai shi ying dao li 4099 1455 2088 2508 4289 6670 3810], is our unswerving principle. The 1990's are a critical period in our country's

socialist modernization, and we must have an extremely great sense of responsibility to try to enable our national economy to maintain a high rate of growth. As far as this kind of development is concerned, however, we cannot rely simply on making more investments, widening the scope, and starting new projects. To settle conflicts and problems arising in the present and future process of economic development, the fundamental way out is to deepen reform and accelerate the establishment of the socialist market economy.

Leaders of the CPC Central Committee pointed out: In the 1990's, it is fully plausible and urgently necessary to tentatively set up a new economy, that is, the socialist market economy. The aims are to put an end, once and for all, to the past economic development pattern that relied on speed and investment to bring about low efficiency and benefits, and to spend about two decades, on the basis of ensuring the smooth realization of the strategic economic objective for the 1990's, to form an all-encompassing system—including social, political, and economic aspects—which is more mature.

Senior leaders of the CPC Central Committee pointed out: We must pay close attention to mapping out the overall framework of the new economy, proceed from settling the present outstanding conflicts and problems, and fulfill key targets. The measures should be implemented in a coordinated and gradual manner. We must dare to practice and do a job boldly if we have accurate judgment. For those jobs concerning which we do not have an accurate judgment for the time being, we can carry out some experiments and pay attention to summing up our experience. The central link in deepening reform is to achieve results in running state-owned enterprises, particularly the large and medium-sized state-owned enterprises. At present, we must vigorously seek an effective way to integrate public ownership with the market economy and gradually to establish a modern enterprise system that suits the needs of the socialist market economy. Meanwhile, in order to strengthen and improve macroscopic regulation, we should carry out financial, taxation, planning, and investment restructuring in good time. These reforms, which deal with a wide range of issues, must be carried out in a gradual and planned way under the leadership of the CPC Central Committee.

The senior figure of the CPC Central Committee said: An important sign of our country's good economic situation is that Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics has struck root in the hearts of the people. All people in the country, from the leadership to the masses, are concerned with reform and opening up and are paying attention to real problems, and there is enough momentum to devote our energies to developing the economy. This great historical trend is irreversible.

#### **'Ferocious Debate' Over Economic Reforms**

*HK1910090493 Hong Kong SOUTH CHINA MORNING POST in English 19 Oct 93 p 7*

[Report by Willy Wo-lap Lam]

[Text] A ferocious debate has broken out within the leadership over the pace and direction of economic reforms that will be endorsed at the third plenary session of the party Central Committee, scheduled for the middle of next month.

Chinese sources said the cautious faction loyal to President Jiang Zemin, who oversees a team responsible for drafting the economic reform document to be approved by the plenum, seemed to be enjoying the upper hand.

They said while giving its blessings for a wide range of reforms including those of the banking system and foreign trade, the plenum would sanction measures to re-centralise powers.

However, a group of liberal officials and economists have in the past week lobbied vigorously for a faster pace of liberalisation.

The sources said the thrust of the plenum document would be how to balance the needs of the market with the requirements of the socialist state.

And many of the "reforms" introduced will be aimed at taking back powers, particularly tax and other revenues, that have been lost to the provinces.

For example, the plenum would endorse a tax law that will clearly demarcate the tax bases for the central and regional authorities.

Local administrations would likely lose powers to set tax and other preferential policies to attract foreign investors.

Other aspects of financial reform will enable the central Government to have a tighter control over the money supply.

Banks will be divided into "policy banks", which will primarily finance sectors favoured by Beijing, and "Western-style" commercial banks.

The plenum will, however, also approve a number of economic reforms which meet the Western criteria for liberalisation.

For example, state enterprises will be given not only wider management powers but more control over their assets.

A large number of government-owned enterprises will be sold or auctioned off to the private sector.

Meanwhile, liberal economists led by Gao Shangquan have contended that bolder steps need to be taken to restructure the economy.

"We must grasp the nettle and seek breakthroughs in deep-seated contradictions (in the economy)," Mr Gao said in a seminar yesterday.

In another conference yesterday, influential academics Yu Guangyuan and Xiao Zhuoji argued for a faster pace of the conversion of state concerns to shareholding companies.

"The stock market is the school where the Chinese people learn about the modern market economy," said Mr Yu, a veteran liberal economist.

### Members of Two Dissident Groups Prosecuted

HK1810150293 Hong Kong LIEN HO PAO in Chinese  
15 Oct 93 p 10

[Report from the "Mainland News Center": "Beijing Prosecutes Members of Two Dissident Organizations"]

[Text] The Beijing People's Procuratorate recently initiated proceedings against the main members of two dissident organizations on the mainland, the Democratic Liberal Party of China and the China Progress Alliance, whom it arrested in September last year. The CPC authorities planned to use the excuses of intending to overthrow the CPC-led government and socialist system and actively carrying out counterrevolutionary activities to severely punish them. This was the first time during the recent period that the CPC has prosecuted on a grand scale dissidents who oppose the CPC-led government.

This group of dissident organization members, which had intellectuals as their main leaders, includes Hu Shigen [5170 4258 2704] (a teacher at the Beijing Languages Institute), Kang Yuchun [1660 3768 2504] (a doctor at Anding Hospital), Wang Guoqi [3769 0948 7871] (unemployed), Lu Zhigang [7120 2535 0474] (a law student at Beijing University), Liu Jingsheng [0491 0079 3932] (a worker at the Tongyi Chemical Plant in Tongxian County), Gao Yuxiang [7559 3768 4382] (an individual business operator), Wang Tiancheng [3769 1131 2052] (a law lecturer at Beijing University), Wang Peizhong [3769 0160 1813] (a graduate student at the Oil Prospecting and Exploration Research Institute), Chen Qinglin [7115 7230 2651] (a cadre at the Hangu Saltworks meteorological station in Tianjin's Changlu), Chen Wei [7115 5898] (unemployed), Zhang Chunzhu [1728 4783 3796] (unemployed), Rui Chaohuai [5360 2600 2037] (a worker at the Beijing Construction Materials and Machinery Factory), Xing Hongwei [6717 1347 0251] (a cadre at Chengdu's Jianjiang Coal Mine), Li Quanli [2621 0356 0448] (a worker at the Beijing Automobile Plant's Electric Appliance Branch), Xu Dongling [6079 2639 1545] (a worker at the Beijing Paper Mill), and Zhang Guojun [1728 0948 6874] (an individual business operator).

The Beijing Procuratorate's indictment pointed out that Hu Shigen and Wang Guoqi established the Democratic Liberal Party of China in January 1991 and recruited Liu Jingsheng, Gao Yuxiang, Chen Qinglin, and Wang Tiancheng as members. Between June and October 1991, Hu Shigen held two secret meetings of Liu Jingsheng, Gao Yuxiang, Li Quanli, and Chen Qinglin in his residence in order to decide on the division of labor within the organization. Thereafter, Chen Qinglin went to Shihezi City and other locations in Xinjiang to develop the organization. On 20 December 1991, Hu Shigen, Liu Jingsheng, Wang Guoqi, and Wang Tiancheng convened a "meeting of the core members of the Democratic Liberal Party of China" in Liu's residence and adopted the "Political Principles of

the Democratic Liberal Party of China" and the "Regulations on the Organization of the Democratic Liberal Party of China," which were drafted by Hu Shigen. The meeting also decided on the core members' code names and the secret methods by which they could contact one another.

In December 1991, Hu Shigen, Liu Jingsheng, Gao Yuxiang, and Li Quanli gathered for another secret meeting to draft documents such as the "Regulations on an Organizing Committee for Free Trade Unions in China" and the "Action Policy and Work Methods for the Near Future," thus compiling concrete measures for organizational activities.

On 27 June 1991, Kang Yuchun, Lu Zhigang, An Ning [1344 1337], Wang Jianping [3769 1696 1627], Lu Mingxia [7120 2494 7209], among others, founded the China Progress Alliance and decided on the division of labor within the organization. They later recruited Wang Peizhong as a member. Kang Yuchun, Lu Zhigang, and An Ning had a discussion, which decided that An Ning should draft the political principles of the China Progress Alliance, specifically, the "Outline of the Principles of the CPA." Kang Yuchun and An Ning also drafted the documents on the "Provisional Regulations on Recruiting Members of the CPA," the "Temporary Work System," and the "Provisional Regulations on Managing the Funds of the China Progress Alliance."

In January 1992, Kang Yuchun, Lu Zhigang and others arrived in Zhengzhou, contacted An Ning and others, organized the "Henan Work Committee of the China Progress Alliance" in the city, and decided on the location and methods of contact. In addition, Hu Shigen and Liu Jingsheng wanted to get in touch with Kang Yuchun and the China Progress Alliance. In October 1991, they went to Kang's house to recruit Kang Yuchun and An Ning as members of the Democratic Liberal Party of China; at the same time, Hu Shigen and Liu Jingsheng also joined the China Progress Alliance.

In November 1991, Hu Shigen drafted the "Statement on the Issue of Human Rights in China," which pointed out that, since coming to power, the CPC has practiced a bureaucratic monopoly coupled with military and police rule in order to practice a complete dictatorship over the Chinese people in political, economic, and cultural terms, forcefully stripping the Chinese people of the basic human rights that they deserve. In December 1991, Hu Shigen drafted the "proposal on organizing a committee for free trade unions in China," in which he said the CPC implemented one-party despotism and practiced a one-man dictatorship. In January 1992, Hu Shigen and Liu Jingsheng pointed out in the "Materials Publicizing the Organizing Committee for Free Trade Unions" that, during its rule of more than 40 years, the CPC has stripped workers of their power to organize free trade unions. They expressed their hope that workers could quit the government-led trade unions and join free trade unions. In April and May 1992, Hu Shigen, Liu Jingsheng, and Gao Yuxiang derived a plan to distribute and mail documents such as the "Heroic Souls of 4 June Exist Eternally" and the

"Letter to the Whole Citizenry by the United Democratic League" to Beijing, Shanghai, Chengdu, Wuhan, and Shenyang during the "4 June" period of 1992.

The indictment also pointed out: For the purpose of overthrowing the government based on proletarian dictatorship and the socialist system, this group of people wantonly carried out counterrevolutionary activities and violated Articles 98 and 102 of the Criminal Law on the mainland. Hu Shigen, Kang Yuchun, Liu Jingsheng, and Lu Zhigang committed crimes in organizing and leading a counterrevolutionary group and in conducting counterrevolutionary propaganda and instigation. Wang Guoqi committed a crime in organizing and leading a counterrevolutionary group. Gao Yuxiang, Wang Peizhong and Wang Tiancheng committed crimes in actively participating in a counterrevolutionary group and in conducting counterrevolutionary propaganda and instigation. Chen Qinglin and Li Quanli committed a crime in actively participating in a counterrevolutionary group. Chen Wei, Zhang Chunzhu, Rui Chaohuai, Xing Hongwei, Xu Dongling, and Zhang Guojun committed a crime in conducting counterrevolutionary propaganda and instigation. The procuratorate of the Beijing Municipal People's Procuratorate instituted proceedings to severely punish them in accordance with Article 100 of the Criminal Law.

#### **Justice Minister Xiao Yang Holds News Conference**

##### **Legal System To See 'Major Reforms'**

OW1510163693 Beijing XINHUA in English 1406 GMT 15 Oct 93

[Text] Beijing, October 15 (XINHUA)—Chinese Minister of Justice Xiao Yang today said a series of major reforms will be carried out in China's system of lawyers to transform law firms into self-regulating bodies.

Speaking at a press conference here, the minister said the number of lawyers in China is expected to increase from the current 50,000 to 75,000 by 1985, and reach 150,000 by the end of this century.

The shortage of lawyers and the low level of their competence are the two main problems facing China in the legal field, Xiao said. The system is lagging behind the pace of China's opening up and the construction of a socialist market economy, he added.

China's lawyer system was resumed in 1979. At present there are 4,200 law firms across China and two branches abroad. At the same time, 41 offices of foreign law firms have been licensed to practise law in China.

Outlining the reform package to be introduced, the justice minister said that lawyers are encouraged to organize law firms of various types and to decide their structures. In so doing, Xiao said, the law firms will be self-regulating, without the backing of government funds.

An examination system for lawyers' qualifications, more in line with the demands of China's reality, will be set up to encourage fair competition, Xiao added.

Full-time lawyers now account for only 0.03 per thousand of China's total population. Of them, only 20.8 percent have undergone systematic education in law.

The justice minister said a law governing the lawyer system is being drafted by his ministry, to which provisions on protecting the legal rights and interests of lawyers will be affixed. The law is expected to be published soon, Xiao said, without giving a specific date.

When asked whether lawyers will be liable in case of in practising law, Xiao said the ministry is considering working out regulations in this regard. In some fields, such as the stock exchange, lawyers have begun to render compensation to clients for faulty advice.

Meanwhile, Xiao disclosed that there are now 1.2 million inmates of China's prisons, of whom only 0.3 percent were convicted of counter-revolutionary offenses. As long as they confess their crimes and obey the laws, Xiao said, the counter-revolutionary criminals, like the others, will be dealt with leniently.

#### **Further on Role of Lawyers**

HK1610060293 Beijing ZHONGGUO XINWEN SHE in English 1531 GMT 15 Oct 93

[Text] Beijing, October 15 (CNS)—Minister of Justice, Mr Xiao Yang, said here today at a press briefing that China's lawyers are the frontline legal workers in the society. Outsiders believe that China's lawyers are controlled by the government and only serve to safeguard the state's interests which is a misunderstanding and does not conform with the facts.

Mr Xiao said that China's lawyers not only safeguarded the interests of the state but also the interests and rights of citizens and legal persons as well as those of foreign businessmen in China in accordance with the law.

He said that provisional regulations regarding lawyers published in 1980 stipulated that legal staff must work according to the country's laws. Lawyers are not the same as government officials and state administrative personnel and lawyer firms are not the same as government administrative agencies.

Mr Xiao said that reform regarding the work of lawyers is a key issue in reform work within the justice administration. A later step will develop lawyer firms with self-development and self-restraint responsible for their own profits and losses. China now has over 410 such lawyer firms.

#### **Specialists Discuss Effective Law Enforcement**

HK1510140293 Beijing LIAOWANG in Chinese No 40, 4 Oct 93 pp 12-15

["Report on interviews" by staff reporter: "Four Law Specialists Make Appeals—The Situation Whereby Laws Are Not Effectively Enforced Badly Needs To Be Changed"]



[Text] Wang Shuwen [3769 0647 2429], Vice Chairman of the Law Committee of the National People's Congress [NPC] Standing Committee and Vice President and Professor of the China Law Society

What is the legal system? It means the comparatively perfect Constitutions and laws formulated by the state and ensures that they are strictly enforced and observed in real life. China's Constitution, which was formulated in 1982, was amended in 1988 and 1993, offering a fundamental legal safeguard for the development of Chinese-style economy, politics, and culture. On this basis, we have, over the past decade or more, already made over 200 laws and decisions about legal questions, as well as supplementary regulations, nearly 700 administrative laws and regulations, and over 2,000 local laws and regulations, making it possible to refer to the law in many aspects of national life. Of course, we still need to strengthen legislation, especially legislation on economic matters, to meet the needs of establishing the socialist market economic system.

In the course of strengthening the legal system, another important task facing us is that we should continue to ensure that the Constitution and the law are implemented and put into practice, conscientiously safeguard their authority and dignity, and see to it that the law is followed and strictly enforced and that those breaking it must be held accountable. A very salient problem at the present time is that the law is not followed or not strictly enforced, that those breaking it are not held accountable, that words are substituted for it, that the imposition of a fine is substituted for punishment, and that those enforcing the law break it. This phenomenon exists in some places and departments to a rather bad degree.

A market economy fundamentally differs from a highly concentrated planned economy, whose management mainly relies on administrative means, in that a market economy is one which is under the legal system. It needs to be guided, standardized, and safeguarded by the law, or else chaos will inevitably appear. In order to change the situation that the law is not effectively implemented and to really ensure that the Constitution and the law are enforced and observed, it is necessary to do the following things conscientiously:

First, strengthen the supervision of law enforcement.

China's Constitution and laws lay down a set of comparatively perfect systems for the supervision of law enforcement by state organs. The first is the supervision by the people's congresses. As organs of state power, the people's congresses and their standing committees have the power to supervise administrative organs, judicial organs, and procuratorial organs. The second is administrative supervision. According to the Constitution and laws, a state administrative organ has the power to lead and supervise one at a lower level. Moreover, special supervisory departments have been set up to supervise state administrative organs and their personnel regarding whether they carry out their duties, whether they carry out administration in

accordance with the law, and whether they observe discipline and abide by the law. The third is judicial supervision. The Supreme People's Court supervises the work of local people's courts at all levels and the people's courts supervise the work of the lower people's courts. The people's procuratorates play a unique role in approving proceedings and ensuring the proper implementation of the law. In addition to the supervisory mechanisms of state organs, supervision is also carried out by party organizations, the Chinese People's Political Consultative Conference, the masses, and public opinion. It is necessary to integrate the above supervisory channels in an organic way so as to form a powerful system of supervising law enforcement, and this is a practical and reliable guarantee for safeguarding the implementation of the Constitution and laws.

Second, insist on strictly enforcing the law.

In implementing the law, the people's courts and the people's procuratorates must be faithful to the legal system. They must both act in strict accordance with the substantive law and in strict accordance with the procedures prescribed by the procedural law, accurately and effectively enforce the law, resolutely correct the phenomenon in some places that the imposition of a fine is substituted for punishment and that those enforcing the law break it, and conscientiously resolve the problem that cases "are difficult to handle in accordance with the law." To this end, we must conscientiously ensure that the people's courts and the people's procuratorates exercise judicial powers and procuratorial powers independently and must free them from the interference of administrative organs, mass organizations, and individuals.

Third, launch a vigorous campaign to educate the people in the law with the Constitution at the core.

Over the years, although we have scored comparatively great achievements in the propagation of and education in the legal system, we are still very far from having everyone know the law and observe the law. It still happens that the law is not strictly enforced. It happens from time to time that people do not observe the law or even willfully trample on it. Therefore, it is necessary to strengthen education in the legal system in society at large, especially among cadres of state organs, and further enhance the awareness of the vast numbers of the masses of the law so that they can act strictly according to the Constitution and laws and so that they learn to use legal weapons to struggle against all kinds of illegal and criminal phenomena.

Cao Kangtai [2580 1660 3141], Deputy Director of the State Council Bureau of Legislative Affairs

The point of building the socialist legal system is so that people will act in accordance with the law. If the law is not observed, it is tantamount to having no law and has an even worse influence than the absence of law. There are four major reasons why the law is not implemented very well at the present time: First, the old China left us numerous feudal and autocratic traditions and very little democratic legal tradition. This is a heavy historical

burden. Under the influence of these old traditional concepts, the problem that some leading cadres regard "power as higher than the law" has not really been resolved. They think that the law is only intended for the general public, while they themselves are not bound by it, consciously or unconsciously placing themselves above the law. Second, the interest relationship between the center and localities has not been very well defined, nor have the functions of various state organs. Under the current situation, the force of interests is very strong, moreover power and interests are often mixed up. When enforcing the law, some localities and departments often allow interests to sway their attitude toward the law and policies. They will enforce them where they are beneficial to them, and will not enforce them where they are not. This situation is becoming increasingly serious as a considerably large number of state organs are setting up entities to earn income. At the same time, the state has insufficient finances, so the normal expenses needed by state organs in performing their duties cannot be guaranteed through financial channels. This encourages law-enforcement organs to wield their power to raise their own operating expenses, thus breaking the law while enforcing it. Third, there is a failure to properly understand and handle the relationship between deepening reform and acting according to the law. At a time when the old system is fading away and the new one is fading in, some comrades encourage "intruding into restricted areas of the law"; some comrades make use of the powers and the monopoly status in their trades given to them by the state and the people to allow people to enter the market, allow commercialization, and exchange power for money. This leads to the growth and spread of graft, greatly affecting and damaging the socialist legal system. Fourth, the current legal system is imperfect. Some existing laws and regulations, especially economic laws and administrative laws, are often biased toward standardizing the behavior of those being managed, inadequately control the behavior of state organs, and lack an effective system to control the abuse of power.

In order to strengthen law enforcement and ensure the implementation of laws, regulations, and rules, it is necessary to properly resolve the following four problems:

First, leading cadres must strengthen the awareness of laws and legal concepts and be the first to strictly enforce the law and to act according to the law. They should lead those at lower levels and resolutely overcome haphazardness in law enforcement. They must never substitute words for the law or place their power above the law, and still less must they bend the law out of personal considerations.

Second, we must be determined to straighten out the administrative and law-enforcement system and standardize administrative and law-enforcement behavior. It is necessary to conscientiously change government functions in light of the organizational reform, relatively concentrate the administrative and law-enforcement powers, and change the situation in which so many units enforce

the law. We can consider allowing one particular administrative organ to exercise the administrative and law-enforcement powers that involve the management of public affairs and the maintenance of public order. Big cities like Shanghai are beginning to use the police patrol system whereby policemen exercise the administrative and law-enforcement powers in public places. This method should be further studied and promoted. It is necessary to establish an open and standardized administrative procedure to standardize administrative behavior, including administrative decisions, administrative penalties, and administrative enforcement. It is necessary to establish a sound and uniform confiscation system and to separate the organs that make decisions about confiscation from the organs that carry out the confiscations. At the same time, it is necessary to establish a public auction system for confiscated merchandise.

Third, we should build up the strength of the contingent of law-enforcement personnel so that they become highly efficient and incorrupt law-enforcement personnel. We must be resolved to consolidate the administrative and law-enforcement contingent and strictly forbid administrative and law-enforcement organizations to hire contract workers or temporary workers for law-enforcement work.

Fourth, we should strengthen supervision of administration and law enforcement. The Constitution and relevant laws and regulations already provide for the supervisory system for administrative behavior; for instance, the National People's Congress and its standing committee's supervision of the government's work, the legal supervision system, the system of administrative proceedings, the system of administrative reconsideration, the reference system of regulations and rules, the auditing system, and the supervisory system. It is necessary to take further measures to bring these systems into better play and really subject administrative behavior to supervision and restriction so that it can be legitimate, appropriate, and effective. At the same time, we should seriously study and gradually improve the supervisory systems within administrative organs, mainly the supervisory systems used by governments at all levels for their subordinate departments and by governments for subordinate governments. We should also establish a system to hold accountable those who do not strictly enforce the law or those who enforce the law arbitrarily.

**Wang Baoshu [3769 0202 2885], Deputy Director and Research Fellow of the Law Institute of the Chinese Academy of Social Sciences**

In the face of a developing market economy, being the administrative organ of the state, the government must do the following three things properly: First, safeguard market competition, that is, create opportunities and conditions for fair competition so that all enterprises will be in a position to participate in market competition. Moreover, it is necessary to protect all competitors so that they will not be infringed on illegally. Second, organize and promote market competition, that is, formulate a series of industrial policies to rationalize competition among enterprises, to

enable those trades and industries that have not had effective competition to start competition, and to create conditions for them, so that enterprises shoulder reasonable burdens and possess the same beneficial conditions. Third, carry out proper macroeconomic regulation and control, that is, regulate the market with finance, revenue, credit, price, and planned guidance and the like so that the entire national economy can develop steadily and in a coordinated way. The core of all this is to establish and safeguard a free and fair order of socialist market competition.

Essentially speaking, the order of market competition is a kind of legal order. It relies on the establishment of a market-economy legal system and very much on the implementation of the law for the market economy. Without a sound market-economy legal system, a uniform market is impossible. Without the effective implementation of the law, a free and fair market competitive order is impossible. Regarding this, there are in fact many aspects where we have no law to follow, and therefore we should speed up legislation on economic matters. But the problem that the law is not observed is much more serious than the fact that "there is no law to follow." In order to change this situation, it is necessary to resolve two major problems which affect administration and law enforcement and which go so far as to harm the prestige of administration and law enforcement.

First, thoroughly resolve the problem whereby government departments go into business and set up companies.

Since reform and opening up, the tide of going into business and setting up companies has surged on several occasions in government departments at all levels. The CPC Central Committee and the State Council have repeatedly reaffirmed the ban, but despite this government departments have not stopped doing so, but have even used new ways. At a time when the old "separation of the functions of enterprise and government" has not been radically achieved, the new "separation of the functions of enterprise and government" has surfaced. Under these circumstances, effective administration and law enforcement are doubly difficult. First, if government departments go into business or set up companies, they seriously deviate from their status as administrative organs as affirmed by the Constitution and thus lose the administrative and law-enforcement foundation. As administrative and law-enforcement organs, they should treat all enterprises equally. But as persons in charge of enterprises, they cannot treat everyone equally in the course of law enforcement. In other words, when government departments go into business, they exercise both administrative power and business power, and practice both administrative behavior and business behavior. Government departments inevitably become entangled in conflicts of interests, making it impossible for them to make fair judgments about complicated market phenomena, and so very difficult for them to enforce the law correctly. Second, the fact that government departments go into business and set up companies inevitably produces effects in conflict with administration and law enforcement. The fact that government departments

go into business does not merely produce a hotbed of corruption. On the basis of the integration of power and money, they constitute administrative monopolies and limit fair competition. This runs counter to the government's function of administering society. Practice shows that whether it is the old "administrative companies" or the "companies" which have recently been set up by government departments and whose enterprise and government functions are not separated, they all come from the "integration of power and money" and seriously endanger administration and law enforcement.

What particularly draws people's attention is that in order to go into business and make money, some organs that specifically enforce the law and carry out supervisory functions even include matters within the scope of government functions in the business scope of their companies. This tendency of commercializing administrative behavior has seriously harmed the prestige of administration and law enforcement. Furthermore, their authority in continuing to enforce the law is already doubted by enterprises and citizens. Therefore, proceeding from the long-term interests of developing the market economy, we must stick to and implement the principle that government must not go into business or set up companies. We must not only separate these companies from administrative organs, but also demand that they no longer have any relationship of economic interests with administrative organs so as to guarantee that government departments "enforce the law" fairly.

Second, resolutely break regional blockades and overcome regional protectionism.

In recent years, since localities have assumed responsibility for their own finances, regional blockades and regional protectionism have tended to build up. Accordingly, some regions carry out administration and enforce the law in such a way as to maintain their regional interests. For instance, they set up trade barriers, excessively promote the sale of local products, boycott merchandise entering their local administrative regions from other places, and do not allow severely demanded raw materials to flow elsewhere. When transaction disputes arise, they side with their enterprises or would rather owe debt rather than repay it. Although such practices seem to bring temporary advantages to some local enterprises for a short time, overall and in the long run they will not only harm other regions and their enterprises but also harm the interests of their own regions and their enterprises, because they protect backwardness, exclude modernity, weaken competition, and divide the single market. They harm not only individual regions and the conditions on which enterprises rely for their existence and development, but also the conditions on which all regions and enterprises (including their own regions and their enterprises) rely for their existence and development. Moreover, their regional organs and enterprises set a bad example, namely, disrupting the national legal system with their local interests.



This shows that regional blockades and regional protectionism are an arch-enemy both of the single market and of administration and law enforcement, and therefore must be resolutely uprooted.

**Zheng Yang [6774 2254], Doctor of Law of the Law Department of the State Economic and Trade Commission**

As the socialist market economic system is being formed, a series of market laws and regulations will be introduced. What should we do to ensure that these laws and regulations are implemented?

First, it is necessary to strengthen the awareness of laws and insist on "attaching equal importance to economic development and the development of the legal system." We must have a good enough understanding that economic development and the development of the legal system are both indispensable to the development of a socialist market economy. Economic development presents new problems and new contents in the development of the legal system; while the development of the legal system is the internal objective demand of economic development and plays a pioneering and guiding, protective and consolidating role in economic development, and standardizes and democratizes economic activities and brings them under the law.

Second, it is necessary to pay attention to preparing legislation, speed up legislation, and emphasize the results of legislation. On the basis of doing extensive research and study, it is necessary to work out a framework for the socialist market economic system that conforms to China's national conditions and draw up plans, outlines, and steps for legislation. It is necessary to standardize criteria step by step and as soon as possible to carry out economic legislation work in order of importance and urgency and in light of both immediate and long-term interests.

Third, it is necessary to improve law-enforcement (and supervisory) organizations that meet the needs of the socialist market economy. In a sense, we do this in order to improve the organizational guarantee for improving law enforcement (and supervision).

**Tighter Controls on Vehicle Imports**

*HK1610060493 Beijing ZHONGGUO XINWEN SHE in English 0319 GMT 16 Oct 93*

[Text] Beijing, October 16 (CNS)—The Ministry of Public Security, the General Administration of Customs and the State Administration Bureau of Industry and Commerce recently issued a joint circular on the strengthening of control of the issuing of licence plates for imported cars and motorcycles.

According to the circular, traffic administration departments will check the certificates for imported goods before they issue licence plates to the owners of imported cars and motorcycles. If the owner fails to present such a certificate, the authorities will refuse to issue a licence plate.

The circular also stipulates that all smuggled vehicles and those without authoritative certificates, will upon discovery be confiscated and be sold at China's Trading Centre for Imported Vehicles.

**Li Peng, State Council Discuss Housing Plan**

*OW1910103293 Beijing XINHUA in English 1005 GMT 19 Oct 93*

[Text] Beijing, October 19 (XINHUA)—Chinese Premier Li Peng today presided over the 11th executive meeting of the State Council to examine a draft plan on accelerating the reform on housing system in urban areas.

Since 1980, the State Council has issued a number of documents on promoting housing reform in urban areas. Now the housing reform has extended from a few pilot cities to most of the cities in the country, or from a single-type reform program to an all-round and comprehensive stage.

According to the meeting, the designs and measures for the housing reform in urban areas should be further improved.

The meeting stressed that the reform on housing system has a direct bearing on the interests of the people and the basic objective of the reform is to solve housing difficulties for urban residents.

The meeting called for establishing a new housing system which should be suited to the socialist market economy.

The meeting approved the draft plan on the housing reform in principle and it decided to issue the plan after further revision.

**State Councillor on Hygiene, Law Enforcement**

*OW1810132693 Beijing XINHUA Domestic Service in Chinese 0710 GMT 6 Oct 93*

[By correspondent Zou Peiyan (6760 3099 7346)]

[Text] Beijing, 6 Oct (XINHUA)—At a meeting today to mark the departure from Beijing of a state hygiene supervision and law enforcement inspection group, State Councillor Peng Peiyan, on behalf of the State Council, stressed: Governments and public health departments at all levels should regard hygiene supervision and law enforcement as their basic responsibility and function and as an important part of their daily work schedules. They should pay greater attention to administrative and law enforcement work and should exercise their hygiene supervision and law enforcing authority strictly according to relevant laws and regulations.

Peng Peiyan said: Since the 1980's, the government has promulgated the "Food Hygiene Law" and a series of other laws and regulations concerning hygiene, thereby gradually establishing a legal foundation for public health administrative work. Full implementation of these laws and regulations has played an important role in ensuring people's health and safety and in preventing the spread of disease. The percentage of the country's hygienic food products has risen; instances of food pollution have decreased; the



sanitary conditions of hotels, barber shops, and other public places in large and medium-sized cities across the country have improved; the sanitary conditions of toxic and hazardous areas have improved; and the hygienic standards of cosmetic and other health care products have gradually improved.

While affirming progress in hygiene work, Peng Peiyun pointed out: Hygiene supervision and law enforcement work at present needs to be improved. As we are building a socialist market economic system, some new situations and problems have cropped up in hygiene supervision and law enforcement work—it is quite common that some laws are not obeyed, some laws are difficult to follow, and at times laws are not strictly enforced. Indifference to law, administrative interference, drawbacks in the hygiene supervision system, poorly-organized health workers, insufficient funds, outdated equipment, delays in handling major cases, and the lack of mechanisms for hygiene supervision workers to restrain themselves—all these have to some extent limited the effectiveness of law enforcement.

Peng Peiyun said: The State Council entrusted the Ministry of Public Health and the State Council's Bureau of Legislative Affairs to jointly organize this inspection and invited some National People's Congress deputies to take part in the inspection. This is the most demanding hygiene supervision and law enforcement inspection in the public health domain—of the greatest scale and broadest coverage area—since the founding of the People's Republic. This inspection is also important for reasons of propaganda and education, serving to explain to the public the importance of hygiene supervision and law enforcement in order to deepen the public's awareness of the need to abide by health laws and regulations. Over the last few months, all localities have conducted self-inspection and sample inspections, and these activities have drawn great attention from the public. In carrying out the current hygiene supervision and law enforcement inspection, in addition to summing up advanced experiences, we should try to discover existing problems, fully expose existing contradictions, and offer constructive opinions, in order to improve our work and to advance reform.

In closing, Peng Peiyun hoped governments at all levels would fully realize the great significance of the current inspection, support and help inspection groups in carrying out their work, honestly reflect on the actual situations, and must not resort to deception to cope with inspections.

#### **Olympic Bid Committee Concludes Work**

OW1810171993 Beijing XINHUA in English 1644  
GMT 18 Oct 93

[Text] Beijing, October 18 (XINHUA)—All the members of the Beijing 2000 Olympic Games Bid Committee (BOBICO) and all of its working staff gathered for the last time here on Monday as the committee officially concluded its work.

And in an open letter, the committee extended thanks to all of China's nationalities, compatriots in Taiwan, Hong

Kong and Macao, overseas Chinese and foreign friends at home and abroad, for their support to Beijing's Olympic bid.

"Although Beijing did not win the right to host the 2000 Olympic Games, falling short of only two votes, the Chinese people have won worldwide praise and support for their lofty spirits in upholding and safeguarding the Olympic ideals and for their determination and enthusiasm to contribute to the Olympic movement," the letter reads.

The BOBICO has received in the past two years tens of thousands of goodwill letters, telegrams, pictures, paintings and banners of signatures from people of all walks of life both at home and abroad. And a lot of letters, telegrams and visitors came even after Sydney of Australia was chosen on September 23 by the International Olympic Committee to host the 2000 games, according to the letter.

He Zhenliang and Zhang Baifa, both executive vice-presidents of the BOBICO, addressed the meeting on the committee's work.

Among those present at the meeting were Vice-Premier Li Lanqing, State Councillor Li Tieying and all members of the Beijing bid delegation for Monte Carlo, Monaco, for IOC's [International Olympic Committee] 101st Congress in September.

#### **Tian Jiyun, Others Visit Shenzhen**

HK1810094393 Guangzhou NANFANG RIBAO in  
Chinese 16 Oct 93 p 1

["Dispatch" from Shenzhen by reporter Li Tongbo (2621 6639 3134): "Tian Jiyun Arrives in Shenzhen To See Tian Jiyun on Behalf of the CPC Central Committee, State Council, and National People's Congress"]

[Text] At noon on 15 October, Tian Jiyun, CPC Central Committee Political Bureau member and National People's Congress [NPC] Standing Committee vice chairman, and comrades in charge of various central departments concerned, Guangdong Province, and Shenzhen City, arrived in Shenzhen to see the revered Comrade Xi Zhongxun who has been recuperating there.

The revered Comrade Xi has been recuperating in Shenzhen for the last three years. The CPC Central Committee and the State Council are still concerned about the revered Comrade Xi who has been away from Beijing. Entrusted by Jiang Zemin, Li Peng, Qiao Shi, Wan Li, and some other comrades, Tian Jiyun, NPC Standing Committee vice chairman Jiyun went to Shenzhen to see the revered Comrade Xi on behalf of the CPC Central Committee, the State Council, and the NPC Standing Committee. All the five principal leading organs of Guangdong Province, Shenzhen City, and Zhuhai City also sent representatives to see and extend regards to the revered Comrade Xi on the same occasion.

Yesterday, the revered Comrade Xi was very happy. He shook hands with the central, provincial, and city leaders who went to see him in turn and had a group photo taken

with them. Later on, they had lunch together. At the luncheon, the revered Comrade Xi repeatedly said to the comrades who had gone to see him: "Thanks to those who have got time to come to see me and also to those who have not got time to come to see me." The revered Comrade Xi also urged all the comrades to learn from the revolutionary spirit of the old generation of revolutionaries, adhere to reform and opening up, and strive to build a stronger and more prosperous motherland.

Those accompanying Tian Jiyun in going to see the revered Comrade Xi included: Xu Ruixin, CPC Central Committee General Office deputy director; Cao Zhi, NPC Standing Committee secretary general; Lin Ruo, Guangdong Provincial People's Congress Standing Committee chairman; Huang Huahua, Guangdong Provincial CPC Committee deputy secretary; Shenzhen City Mayor Li Youwei; Zhuhai City Mayor Liang Guangda; Zhou Xiwu, Shenzhen City Chinese People's Political Consultative Conference Committee chairman; representatives of Shaanxi Provincial CPC Committee and Dongguan City CPC Committee; as well as persons in charge of the departments concerned.

#### **Tian Jiyun Inscribes for Painting Show**

*OW1810144693 Beijing XINHUA Domestic Service in Chinese 1235 GMT 15 Oct 93*

[Excerpt] Beijing, 15 Oct (XINHUA)—Famous painter Ma Jizhong's landscape painting show opened today at the Exhibition Hall of the Central Arts Institute. Tian Jiyun, vice chairman of the National People's Congress Standing Committee, sent an inscription to the show. [passage omitted]

#### **Kuomintang Committee Marks Mao Centennial**

*HK1810154293 Beijing ZHONGGUO XINWEN SHE in Chinese 0954 GMT 12 Oct 93*

[By reporter Zhang Lei (1728 7191)]

[Text] Beijing, 12 Oct (ZHONGGUO XINWEN SHE)—At 0900 this morning, the general office of the central committee of the Revolutionary Committee of the Chinese Kuomintang [RCCKMT], the Beijing RCCKMT Committee, and the Beijing Zhongshan Painting and Calligraphy Society jointly held the "Painting and Calligraphy Exhibition Marking the Centennial of Comrade Mao Zedong's Birthday" in Beijing.

Lei Peiyao, vice chairman of the NPC Standing Committee and chairman of the RCCKMT central committee; Liu Yandong, deputy head of the Central United Front Work Department; and Jia Yibin, honorary chairman of the RCCKMT central committee, cut the ribbon at the opening ceremony for the exhibition.

The prologue to the painting and calligraphy exhibition says that, on the centennial of Mao Zedong's birthday, this painting and calligraphy is specifically being held to commemorate the great achievements of Comrade Mao Zedong, the great thinker, statesman, strategist, outstanding poet, and calligrapher; and of the revolutionaries

of the older generation. It has been learned that this is the first painting and calligraphy exhibition held by one of the various democratic parties to commemorate Mao Zedong this year.

The painting and calligraphy exhibition will exhibit 143 works, including 84 paintings, 57 calligraphic works, and two seal cuttings. The artists are primarily RCCKMT members and members of the Zhongshan Painting and Calligraphy Society, and some are personalities that have a good relationship with the RCCKMT.

#### **Correction to Item on Developments Within Leadership**

*HK1810032593*

The following correction pertains to the item headlined "Column Views Developments Within CPC Leadership," published in the Political & Social section of the 15 October China DAILY REPORT, pages 21-23:

Page 21, column two, first paragraph of item, first sentence, make read: ...Liu Huaqing, and Hu Jintao, has gradually tended.... (correcting spelling of name here and throughout item)

Same page and column, second paragraph of item, second sentence, make read: ...100th birthday (which falls on 26 December) to insinuate to Deng.... (correcting month)

Page 22, column one, first full paragraph of column, first sentence, make read: ...Central Discipline Inspection Commission in mid-September, that behavior which goes.... (adding dropped words)

Same page and column, second full paragraph of column and first paragraph after subhead, second sentence, make read: ...were: Song Renqiong, former vice chairman of the Central Advisory.... (correcting title)

Page 23, column one, second full paragraph of column, first sentence, make read: ...Yang Rudai, Wang Bingqian, and Deng Liqun respectively. The Central Commission.... (correcting spellings of names)

#### **Economic & Agricultural**

##### **XINHUA Reports Jiang's Speech on Agriculture**

*HK1910072293 Beijing XINHUA Domestic Service in Chinese 0941 GMT 18 Oct 93*

[By RENMIN RIBAO reporter He Jiazheng (0149 0502 2973) and XINHUA reporter Ji Bin (1213 2430)]

[Text] Beijing, 18 Oct (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, today emphasized that in the course of building the socialist market economy, it is necessary to continuously and firmly carry out the policy of taking agriculture as the foundation and firmly give top priority to agriculture among all sectors of the economic work. Fostering the market entities [shi chang zhu ti 1579 1034 0031 7555], perfecting the market system, giving more effective macroscopic guidance, and

giving protection to agriculture should be the main contents of the in-depth rural reforms, which are aimed at accelerating the establishment of the rural economic operation mechanisms and management systems commensurate with the requirements of the socialist market economy. Local party committees and governments at all levels must strengthen their leadership over agriculture and the rural work, and make great efforts to enhance the productive forces in the rural areas, to accelerate the development of the rural economy, and to continuously increase the peasants' income. They should always take this as the fundamental purpose and goal of the rural work.

The central rural work conference convened by the CPC Central Committee opened today in Beijing. Jiang Zemin made an important speech at the opening session. Li Peng, Li Ruihuan, Liu Huaqing, and Hu Jintao, members of the Standing Committee of the CPC Central Committee's Political Bureau, attended the meeting, which was presided over by Zhu Rongji, also a member of the Standing Committee of the CPC Central Committee's Political Bureau.

Ding Guangen, Li Lanqing, Li Tieying, Zou Jiahua, Wen Jiabao, Ren Jianxin, Chi Haotian, Song Jian, Chen Junsheng, Ismail Amat, Luo Gan, and principal responsible people of the provincial, municipal, and autonomous regional party committees and governments and the relevant departments of the CPC Central Committee and the State Council attended the meeting.

The central rural work conference is an important meeting being convened under the new situation in which the whole party and the entire people throughout the country are studying and implementing Comrade Deng Xiaoping's theory about building socialism with Chinese characteristics and the spirit of the 14th party congress and are accelerating reform, opening, and economic development. The central topic for discussion is the strategic conception of, and concrete measures for, comprehensively reinforcing the foundation status of agriculture and promoting the enhancement of our country's agriculture and rural economy to a new stage in the process of building the socialist market economy.

Jiang Zemin's speech consisted of five parts. Jiang Zemin first expounded the point that the whole party should always attach great importance to the agricultural, rural and peasants issue. He said: The important position and role of agriculture and the rural work has been mentioned many times before. In reality, however, quite a few cadres have not thoroughly understood this yet, and have not actually given top priority to agriculture among all sectors of the economic work in their guiding thoughts and their practical work; and the tendency to neglect, and relax efforts for, agriculture has also appeared in some localities.

He pointed out: The agricultural, rural, and peasants issue is always a fundamental issue that has a bearing on the overall situation [quan ju 0356 1444] of our party and state. This was the case in the period of the democratic revolution, and this remains the case in the period of

socialist modernization. The practice of reform and development since the Third Plenary Session of the 11th CPC Central Committee has fully shown the extremely important position of agriculture and the rural work in the development of our nation.

Jiang Zemin said: Under the new situation of practicing the socialist market economy, agriculture and the rural economy will be facing many new contradictions and problems. The conditions of settling these contradictions and problems will not only directly affect the rural situation, but also have an impact on the whole nation's stability and prosperity. He pointed out: The establishment of the socialist market economy will bring unprecedented opportunities for the development of the rural economy. At the same time, it should be noted that in the competition on the product markets and in the competition for economic resources, agriculture is often situated in a weak and unfavorable position. Therefore, agriculture is an industry that the state should protect through its macroeconomic regulation and control. In our country, agriculture remains in the process of transformation from a traditional mode to a modern mode and remains in the stage of transition from the planned economy to the socialist market economy. So it needs the state's protection all the more. In recent years, industry in our country continued to grow at a high speed, but agriculture lagged behind markedly. The imbalance between industrial and agricultural development became more prominent. This had an obviously adverse impact on the development of agriculture and the rural economy: The comparative benefit of agriculture decreased, peasants' enthusiasm for producing grain and cotton was dampened, and farm land in some localities even lay waste; peasants' income increased slowly, and the ratio of peasants' per capita net income to urban residents' per capita livelihood income [sheng huo fei shou ru 3932 3172 6316 2392 0354] was basically brought back to the situation before the rural reforms; the input in agriculture decreased, and agriculture became the weakest link of the national economy. Jiang Zemin pointed out: Such facts show that in the process of developing the socialist market economy, if there is no effective macroeconomic regulation and control and if the market is the only means of regulation, the gap between the growth speeds of industry and agriculture, the gap between the incomes of urban and rural residents, and the gap between the economic development conditions of the developed areas and the less-developed areas will get wider and wider. If such a situation develops further, not only will the development of industry and the economy as a whole lose its support, but the contradictions in economic and social life will also become more prominent, and some new contradictions and problems may be brought about, thus seriously affecting the stability of the government [zheng quan de gong gu 2398 2938 4104 7255 0942] and social stability.

Jiang Zemin said: In the long run, agriculture and the countryside always hold a decisive position in the process of achieving the strategic objective of our country's economic and social development. If agriculture does not achieve greater development and if the rural economy



cannot be raised to a new stage, then it will not be possible to achieve the second-step and third-step development objectives. Achieving the grand objective of modernization is a fundamental strategic issue concerning the future destiny of our party and state. All comrades of this party should understand the far-reaching significance of agriculture from this high plane. Jiang Zemin also pointed out: In such a large and populous country as ours, we will not be able to seek any effective help from other countries if trouble appears in agriculture or grain production. At no time can the party committees and governments at all levels neglect this important matter that has a bearing on the independence and self-strengthening of our state and our nation.

Jiang Zemin demanded that the entire party membership conscientiously study Comrade Xiaoping's important theses on agriculture, sum up our historical experience in developing agriculture, and more firmly adhere to the guiding principle of taking agriculture as the foundation. He said: Since the beginning of reform and opening, Comrade Xiaoping and other revolutionaries of the older generation, in accordance with their rich practical experience, have always given priority consideration to the agricultural, rural, and peasant issue and have always placed this issue in top position in the party's work and the state's development strategy when assessing the situation, considering matters, working out plans, and formulating policies. Comrades in the whole party should learn from them on this point. We must firmly bear in mind the lesson that we have learned from the negative experience of severe ups and downs of the national economy caused by the severe ups and downs of agriculture since the founding of the PRC. The faster the pace of reform and opening, the more necessary it is to attach importance to agriculture, to protect agriculture, and to reinforce agriculture. We should effectively rather than superficially, actually rather than verbally, and wholeheartedly rather than perfunctorily reinforce agriculture as the foundation. He said: In the early years of the PRC, it was necessary to rely on the accumulation contributed by agriculture in order to develop industry. However, the current situation is different. The structure should be adjusted, and this includes the adjustment of the capital construction investment structure, the budgetary structure, and the credit structure. In order to meet the urgent needs of agricultural development, we would rather hold back a number of industrial projects. Both the central and local authorities should always give priority to ensuring the sustained and stable development of agriculture when arranging the development scale and speed of the national economy and arranging the investment ratio between industry and agriculture.

In the second part of his speech, Jiang Zemin set forth the main tasks in the current in-depth rural reforms. He pointed out that fostering the market entities [shi chang zhu ti 1579 1034 0031 7555], perfecting the market system, giving more effective macroscopic guidance, and giving protection to agriculture should be the main contents of the in-depth rural reforms, which are aimed at

accelerating the establishment of the rural economic operation mechanisms and management systems commensurate with the requirements of the socialist market economy.

Jiang Zemin said: The rural economic operation system should be further improved in order that the rural market entities will have greater vigor and dynamism. This is the groundwork for the development of the rural socialist market economy. The two-tier operation and management system consisting of separate household operation mainly under the responsibility system based on the household output contracts and unified management in local communities is a basic system in the rural economy of our country, and should be kept stable over a long time and be continuously improved in practice. Household production contracts should be the groundwork of the two-tier operation system. Peasant households' right of self-determination in their production and operation should be fully respected, and the tenure of land contracts should be prolonged appropriately. In the improvement of unified collective management, the most important point is to strengthen the function of providing services for peasant households. At the same time, various forms of specialized service organizations should be developed in order to develop specialization-oriented division of work and cooperation. Through the linkage between the service systems and the innumerable peasant households, the scattered and small-scale household operation will be more and more closely linked with the growing market, and this will promote the development of commercialized, specialized, and modern agriculture in our country. Positive guidance should be given to the establishment of various joint-stock cooperative systems so that they can be continuously improved and can promote rural economic development.

Jiang Zemin said: It is necessary to further promote and improve the operation form of integrating trade and processing industry with agriculture and integrating production and processing of raw materials with the marketing of products in the process of developing specialized commodity production in the countryside. All localities should develop their own leading industries and a number of key products in the light of the needs in the domestic and overseas markets. They should properly create a well-coordinated regional layout of specialized production, properly arrange integrated operation and socialized services, and thus quicken the process of agricultural modernization.

Jiang Zemin said: It is necessary to establish an open, orderly, and unified urban and rural market system for fair competition and to establish a new system of large-scale circulation. Positive steps should be taken to advance the reform of the rural financial system, and to gradually build up a financial structure made up of policy-oriented banks, commercial banks, and cooperative financial institutions that cooperate closely. Through the development of the urban and rural labor market, the surplus labor force in the countryside should be correctly guided to move and transfer in an orderly and reasonable way. The construction of such infrastructural facilities as roads, warehouses,

power plants, and communications should be reinforced so that the necessary conditions can be created for promoting the circulation of commodities.

Jiang Zemin pointed out: It is necessary to establish a scientific and effective system for macroeconomic regulation and control and to enhance the level of macroscopic guidance and management in the rural economy. Governments at all levels should fully perform the functions of carrying out across-the-board coordination and planning, formulating and carrying out policies [zhang wo zheng ce 2222 2259 2398 4595], offering information and giving guidance, organizing and coordinating things and activities, providing services, and carrying out inspection and supervision. From the central level to all local levels, the systems of farm produce reserve and supply regulation, of protecting and supporting agricultural production, and of rural social insurance should be properly established. The county-level comprehensive reform should be properly carried out, and the county-level institutions should thus enhance their ability to carry out comprehensive coordination and regulation.

The third part of Jiang Zemin's speech was on making every possible effort to speed up rural economic development and social progress. He said: The purpose of deepening rural reform is to open a wider avenue and create better conditions for speeding up agricultural development and the rural economy. In resolving the agricultural, rural, and peasants issue, we should, in the final analysis, make major efforts to develop the rural productive forces. Party committees and governments at all levels must take the work of speeding up rural economic development and continuously increasing the peasants' income as the fundamental departure point and standpoint in rural work.

Jiang Zemin pointed out: Adjusting the rural production structure, optimizing resources disposition, and embarking on the road of high output, top quality, and high efficiency under the guidance of the market economy are profound reforms imperative to China's agricultural development and are also strategic changes in our guiding principles on rural economic work. Grain production must be developed steadily, and this basic idea must remain absolutely unshaken. A continuous increase in the peasants' income must be ensured on the basis of developing production, and this basic idea must remain absolutely unshaken. Ensuring grain supply must be integrated with the target of increasing the peasants' income, that is, maintaining a steady growth in grain production and invigorating a diversified economy. In the course of steadily developing agriculture, rural secondary and tertiary industries must be actively developed and a good job must be done in construction of small towns. We must make major efforts to promote agriculture-intensive operations and comprehensive agricultural development, to develop nonagricultural undertakings, and to expedite the on-the-spot transfer of surplus agricultural laborers. We must continue to regard the development of township and town enterprises as a strategic key point in invigorating the rural economy. In particular, we must speed up the development of township and town enterprises in central and

western regions. Township and town enterprises must be guided in a such way that they will concentrate in small towns, so that small towns will become regional economic centers.

Jiang Zemin stressed the need to unrelentingly implement the development strategy of invigorating agriculture by means of science, technology, and education. He said: Invigorating China's rural economy will finally be determined by making major breakthroughs in China's agricultural science and technology and their extensive application. An urgent task at present is to popularize and utilize the existing agricultural scientific and technological achievements so that they will become real productive forces as soon as possible. In the meantime, it is necessary to strengthen basic research, to enrich scientific and technological reserves, and to organize efforts to resolve major scientific and technological projects so that a number of major achievements may be scored as soon as possible. We must take serious account of rural education, with the focus on popularizing nine-year compulsory education in a down-to-earth manner and eliminating illiteracy among young people and people in the prime of life. In the meantime we must energetically develop rural professional and technical education and rural adult education.

Jiang Zemin pointed out: It is necessary to strengthen construction of basic agricultural facilities and improve agricultural production conditions. Irrigation and other agricultural basic facilities must be put in as important a position as energy, communications, important raw and semiprocessed materials, and other basic industries. In the course of strengthening construction of agricultural basic facilities, the peasants must be guided in such a way that they can increase their labor and funds accumulation; and central and local authorities must also ensure the necessary investments. Comrade Xiaoping said: "Agricultural investments must be increased so that the peasants will feel the good prospects of gains and have initiative." This should become an important guiding principle for us in organizing economic work. Instead of paying attention to increasing agricultural investments, some localities have now misappropriated for other purposes the funds and materials originally invested in agriculture, and some have even used them for nonproductive projects. These incorrect practices must be resolutely stopped.

Jiang Zemin said: Rural socialist spiritual civilization and the formation of the democratic and legal system in the rural areas must be strengthened, and comprehensive management of rural social order must be exercised well. In coordination with rural reform, opening up, and economic development, there is a need to extensively carry out education on the party's basic line, patriotism, collectivism, and socialist ideology; to vigorously develop the fine traditions of hard struggle, being industrious and thrifty in managing families, respecting the elderly and cherishing love for the young, and helping the poor and needy; to persist in the activity of building civilized villages and civilized households; and to educate and guide the peasants in transforming their habits and customs themselves, in resisting feudal superstition, in changing

outmoded conventions and bad customs, in carrying out family planning, and in cultivating a fine village mood. In the meantime, resolute and effective measures must be taken so that a prominent turn for the better can be speedily realized in rural social order within a short period.

The fourth part of Jiang Zemin's speech was on doing a good job in building grass-roots-level organizations in the rural areas. He said: In the new situation of developing the socialist market economy, strengthening the building of grass-roots level rural organizations is an important and urgent task of our party in rural work and is also an important political and organizational guarantee for rural reform, economic development, and social progress. The tremendous achievements in the rural areas since the introduction of reform and opening up cannot be separated from the efforts of grass-roots-level organizations. Most of the grass-roots level cadres are good. But we should also understand that there are problems not to be overlooked in grass-roots level rural organizations. Some party organizations are incompetent and lax or are even in a state of semiparalysis; some localities take from the peasants more than they serve them, and the relations between cadres and the masses are tense. If this situation is not changed speedily, the rural economy cannot be developed. Apart from this, it will also endanger rural stability and weaken and shake the foundation of our party and government in the rural areas. Therefore, we must make up our minds to spend three to five years in improving by stages and in groups the more than 800,000 grass-roots level rural organizations, so that they will display their role. He stressed the need to continue to strengthen in a coordinated way the building of village-level organizations with party branches as the core.

In conclusion Jiang Zemin talked about earnestly strengthening and improving party leadership over rural work. He said: The Central Committee has repeatedly stressed that party committees of provinces, autonomous regions, and municipalities directly under central jurisdiction should expend major efforts on rural work and that prefectural and county party committees should focus their work and efforts on rural work. Evidently, quite a number of localities have not completely fulfilled these demands. Today I would like to reiterate here that secretaries of party committees of provinces, autonomous regions, and municipalities directly under central jurisdiction as well as secretaries of prefectural (city) and county party committees should frequently concern themselves with rural work and personally guide it. They should personally investigate, study, as well as make decisions and arrangements on major issues of rural reform and development, and inspect their implementation. Provincial, prefectural (city), and county party committees should assign a deputy party secretary to concurrently take charge of rural work. There is a need to strengthen the ability of comprehensive departments in agriculture and rural work and to bring into full play their role in carrying out coordination, management, service, and guidance. Agricultural administrative departments should also strengthen their ability, rather than weakening it.

Jiang Zemin demanded that party and government leading cadres of provinces, autonomous regions, and municipalities directly under central jurisdiction should spend at least one month annually in going to the rural areas for investigation; prefectural (city) and county party and government leading cadres should spend at least three months annually in going to the rural areas for investigation. A number of problems should be focally studied and resolved during each investigation.

Jiang Zemin emphatically pointed out that all departments should work hard to serve the rural areas and peasants. He said: Leaders serving the masses is our party's fine tradition. But now some comrades have turned this relationship upside down. Instead of actively serving the rural areas, some departments have added extra burdens to them. This situation must be changed. All central departments should play a leading role in this respect and set a good example.

Jiang Zemin said: Since the introduction of reform and opening up, the party Central Committee and the State Council have formulated a number of new and important policies on agriculture and rural work. Practice has proved that these policies are completely correct and that stability must be preserved for a long period. At present, the crux is to ensure the implementation of all policies. Localities should arrange and inspect the implementation of tasks assigned by the central authorities and policies formulated by them. He requested all levels of cadres to speak the truth, to do actual work, to report on both merits and demerits, to strictly avoid boasting, exaggeration, and formalism, and to unite with the masses in implementing central policies, principles, and measures.

### Editorial Stresses Importance of Agriculture

OW1810155993 Beijing XINHUA in English 1549  
GMT 18 Oct 93

[Text] Beijing, October 18 (XINHUA)—The whole party should always pay attention to agriculture and rural work, says an editorial to be issued Wednesday [as received] by the PEOPLE'S DAILY [RENMIN RIBAO], China's leading national newspaper.

The editorial notes that the national conference on agricultural work, which was called here today by the Central Committee of the ruling Communist Party of China (CPC), is an important meeting convened at the critical moment when the country's national economy is being transformed into a socialist market economy.

The meeting will play an important role in and produce a far-reaching impact on further unifying the thinking of the whole party, reinforcing the position of agriculture as the foundation of the economy under the socialist market economic system, and mobilizing the whole party to continue to unswervingly pay attention to agriculture and rural work under the new circumstances so as to promote the healthy development of the country's economy and guarantee reaching the second and third stages of the strategic targets of the country's modernization drive.



Since the country adopted the policy of reform and opening to the outside world, the editorial says, China has made one after another achievement in agriculture in the short period of a dozen years, has initially met the food and clothing needs of 1.1 billion people and has begun to enjoy relative prosperity. This has resulted from the fact that the party has led hundreds of millions of peasants to follow comrade Deng Xiaoping's theories about building socialism with Chinese characteristics and be bold in putting theory into practice and blazing new trails.

The editorial notes that because of various reasons, some people have neglected agriculture and failed to put agriculture first in economic work. As a result, some of the problems in agriculture and rural work have not been solved in a timely fashion, thus affecting the peasants' enthusiasm and the development of the rural economy.

The editorial stresses that all members of the party should clearly understand that the issue of agriculture, the rural areas and peasants has always been a cardinal issue relating to the overall situation of the party and the country.

Without timely correction of neglect of agriculture in some areas, the editorial says, there will not be a sustained development of the country's industry and the whole national economy. Besides, the contradictions in the economic and social life will be more conspicuous and some new contradictions and problems will arise therefrom, thus affecting the consolidation of socialist political power and the stability of the society.

The editorial stressed that in paying attention to agriculture, it is necessary to take concrete measures and concrete actions instead of merely shouting slogans.

It reveals that the current national conference on agricultural work is precisely aimed at taking practical and effective measures for solving a series of big problems in rural work so as to promote its development.

After the meeting, the editorial says, through the concerted efforts of the whole party, the rural work of the country will surely be ushered into a new stage, thus lifting the country's agriculture to a new level.

#### **State To Buy Less Grain After 'Bumper Harvests'**

HK1810124493 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 17-23 Oct 93 p 8

[By staff reporter Wu Yunhe: "State To Purchase Less Grain This Year"]

[Text] Government grain purchases from farmers will fall by as much as 7.6 million tons this fall compared to last year, according to the Ministry of Internal Trade.

The ministry, the central government's body in charge of grain purchases, said bumper harvests in the past few years have filled the State's grain storehouses.

But a spokesman added the drop in demand from the State will allow farmers to sell more on the free market.

He Songsen, deputy-director of the ministry's purchasing and marketing bureau, said according to contracts signed with the government, farmers sold some 50 million tons of grain to the State last year, accounting for only one eighth of the year's total grain output.

The grain left over after State quotas are filled are sold to grain wholesalers or commodity exchanges.

To convince farmers to fulfill those quotas, the central government also plans to disburse billions of yuan to subsidize grain prices this autumn, he said.

The government-set grain purchase prices for the three major autumn crops—rice, maize and soybean—are expected to be higher than those at the country's grain commodities exchanges and wholesale markets, he added.

He noted that China's agricultural and commercial officials are busy making last-minute efforts to ensure farmers are paid in cash for their grain this autumn.

The ministry will hold a national teleconference next week to urge its grass-roots officials not to issue IOUs to farmers for their autumn crops, which accounts for 75 per cent of the country's annual grain yield.

It is also going to send 20 fact-finding groups to major-grain producing areas to oversee grain purchases by its officials at grass-roots levels.

The State Council is, meanwhile, sending a huge inspection team, composed of officials from the ministries of Agriculture, Supervision, Finance, the Bureau of Legislative Affairs and State Planning Commission, to the countryside to make sure the interests of farmers are protected during the September-November period.

The People's Bank of China, the country's central bank, is doing its utmost to amass the necessary funds to ensure the purchase of farm products this autumn.

At least 110 billion yuan (\$19.29 billion) are needed this autumn for the purchase of such major agricultural products as rice, maize, soybean, cotton, cooking oil, silkworm cocoons, tobacco sugar, tea live pigs and wool, said Dai Xiangiong, the bank's vice-president.

To improve the State's grain reserves, this year China will use \$490 million of the World Bank loans and 2.9 billion yuan (\$500 million) in loans from domestic banks to build grain depots with a storage capacity of 7 million tons.

During the 1991-2000 period, the country is expected to build grain depots with a capacity of 41 million tons. Of this total, depots with 26 million tons of capacity are already under construction.

#### **Statistics Bureau Spokesman Holds News Conference**

##### **Macroeconomic Regulation 'Effective'**

OW1910085793 Beijing XINHUA in English 0654 GMT 19 Oct 93

[Text] Beijing, October 19 (XINHUA)—Official statistics prove that the measures taken by the Chinese Government

since May in strengthening macro-economic regulation have been effective and the economic situation is good in general.

This was stated by Ye Zhen, spokesman for the State Statistics Bureau, at a press conference here today.

According to Ye, the excessively high growth of investment in fixed assets was brought under control. The growth in investment by state-owned units dropped by nine percent, from 70.7 percent during the first six months to 61.7 percent in the third quarter, and the growth in September over the same period of last year was 56.5 percent.

Ye Zhen said that the start of new projects was put under control to some extent. The number of new projects was 3,300 less than the figure for the same period of last year.

The spokesman commented that the cooling down of investment is a direct result of the strengthening of macro-economic regulation by the central government, and it also reflects the changes in the sources of funds for investment due to the rectification of the financial setup.

He said that among the total investment the proportion that was financed by self-raised funds at various levels dropped from 86 percent in June to 76 percent in September.

At the same time, significant progress was made in infrastructure projects in transportation and telecommunications, which invested 58.66 billion yuan (about 10.3 billion U.S. dollars) in the first nine months, an increase of 107.5 percent over the same period of last year.

The share of investment in transportation and telecommunications in the total investment rose by four percentage points from 14.3 percent to 18.3 percent.

According to the spokesman, since June the tendency of rush purchasing of consumer goods for fear of a depreciation of the rmb [renminbi] began to fade, and the once-brisk sales of imported household electronic appliances and gold articles became stable, as their prices fell. The high growth of over 30 percent in institutional purchases during the first six months was brought down to 21.9 percent in September.

Ye Zhen revealed that in the first nine months the total retail sales of commodities reached 968.7 billion yuan (about 169.9 billion U.S. dollars), up by 22.4 percent over the same period of last year, or a real growth of 9.3 percent if price hikes are excluded. There was a noticeable decline in sales of means of production, the growth of which went down from an average of 49.5 percent during January to June to 27.3 percent in the third quarter.

The spokesman said that the state's financial setup has turned for better. The disorder in fund lending, fund raising and unauthorized setting up of monetary establishments has been brought under control, and savings deposits of residents began to rise. The total savings deposits by the end of September reached 1,386.7 billion

yuan (about 243.2 billion U.S. dollars), or 232.2 billion yuan (about 40.7 billion U.S. dollars) more than the 1992 figure.

Moreover, a marked improvement has been achieved in markets for means of production, the two stock exchanges, futures, foreign exchange, real estate and the development zones, the spokesman added.

### Jan-Sep GDP Increases 13 Percent

OW1910110993 Beijing XINHUA in English 0927  
GMT 19 Oct 93

[Text] Beijing, October 19 (XINHUA)—China's gross domestic product from January to September totalled 2,006.8 billion yuan, an increase of 13.3 percent over the same period of last year, according to the state statistics bureau.

Addressing a press conference here today, Ye Zhen, spokesman of the bureau, said that the agricultural sector had a steady development. The production of grain and edible oil was better than expected, and the total output is estimated to maintain at last year's level. The production of animal husbandry and fishery also registered steady growth.

During the first nine months, he said, the country produced 23 million tons of meat, up 9.5 percent. However, the production of cotton and sugar, affected by the reduction in sowing acreage and natural disasters, will drop.

Industrial growth has shown a slight decline since July, with an increase of 24.1 percent. Economic efficiency was improved with sales rate at 94.4 percent.

Quoting customs statistics, the spokesman said that China's export during the first nine months was 61.25 billion U.S. dollars, up 6.6 percent, while the value of import stood at 68.23 U.S. dollars, up 29.9 percent. The trade deficit was 6.98 billion U.S. dollars during the period. But he said that the reserve of China's foreign exchange in cash stood at the same level of the beginning of the year.

He said that direct foreign investment and tourism sector have been encouraging.

The income of urban residents increased 12 percent in real terms, while rural residents earned five percent more during the same period.

The problems the spokesman listed include: the growth of investment in fixed assets remains too high—up 66.4 percent; retail prices rose by an average of 12 percent, and the cost of living went up by 14 percent while in 35 large and medium-sized cities the figure was 18.9 percent; because of the shortages of funds, less competitive enterprises suffered from slow sales of their products; and for the agricultural sector, improvement in production conditions was not significant and the increase of farmers' income was slow.



The spokesman called for continuing macro economic control, more efforts to further adjust the economic structure and to improve economic efficiency, and deepening the ongoing economic reforms.

### Appraisal Center Says Economy in 'Red Zone'

HK1810041693 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1240 GMT 15 Oct 93

[Text] Beijing, 15 October (ZHONGGUO XINWEN SHE)—The Cast [ka si te 0595 2448 3676] Economic Appraisal Center, established by the State Council's Development Research Center, the State Statistics Bureau, and other departments, has shown that China's comprehensive economic mark in September was 51 points, a drop of two points from August. Therefore, the Chinese economy is still in the red zone.

Based on 18 important economic indexes provided by authoritative departments, the nongovernmental consultancy agency formulated an economic prosperity index and early warning signal system with which to monitor periodic macroeconomic fluctuations.

According to a briefing, the comprehensive economic marks are divided into five grades. The blue zone ranges from 1 to 24 points, indicating overcooled economic growth; the light blue zone ranges from 24 to 30 points, indicating slightly cooled economic growth; the green zone ranges from 30 to 42 points, indicating normal economic growth; the yellow zone ranges from 42 to 48 points, indicating slightly heated economic growth; and, lastly, the red zone, ranging from 48 to 55 points and indicating overheated economic growth.

Since the beginning of July this year, the Cast Economic Appraisal Center has exclusively published its monitoring results in the Beijing-based JINGJI RIBAO every month, thus arousing the great attention of economists in the higher echelons. Like stock investors reading market quotations, business people who are concerned about the macrotrend in the Chinese economy have a special affection for economic prosperity early warning analyses.

The comprehensive appraisal system also shows: The industrial growth rate in September was still a little too high, although it has dropped for several months running. Enterprise bank savings dropped and were in the blue zone, indicating that enterprise fund strains were being aggravated. Total retail sale volume of social commodities increased by 21.6 percent and was in the yellow zone. The indexes of prices for living costs in 35 large and medium cities shot up quite dramatically by 20.7 percent, which exceeded some residents' capability to withstand the resulting strains.

### Financial Reforms To Reach 'Full Speed'

HK1910090693 Hong Kong SOUTH CHINA  
MORNING (BUSINESS POST) in English 19 Oct 93 p  
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[Report by Noel Fung]

[Text] China's financial reforms will reach full speed next year, including unification of exchange rates and relaxation of restrictions on foreign bank operations, says People's Bank of China deputy governor Chen Yuan.

Speaking at a monetary management seminar in Hong Kong, Mr Chen said the function of the official exchange rate was diminishing as most exchange transactions were being done through swap centres.

He expected the two rates to be unified soon, possibly next year.

Changes also would be made to rules governing foreign bank operations in China which still included a ban on entering the yuan market.

"Now we are gathering views from different sides. There will be some changes over this issue next year," he said.

But he said the widely discussed reforms would be fully implemented next year.

Tentative ideas on the next stage of reform included the development of a genuine central bank, a financial organisational structure that clearly separates policy and commercial lending, and an open, well-regulated financial markets system.

"A number of money markets will be established throughout the country with big cities as their centres," Mr Chen said.

The aim was to achieve a rational flow of short-term funds to meet the needs of national enterprises.

Longer-term, inter-bank financial transactions gradually would be developed through the sales and purchases of short-term debentures or commercial bills, he said.

The treasury bond market also would be improved to pave the way for the central bank to launch its open market operations.

"Fiscal deficit will be financed through the issuance of treasury bonds," Mr Chen said. "Credit rating of the bonds will be standardised to promote the sound development of the bond market."

The aim of the new measures was to create a unified market "by expanding the capacity of the money and capital markets and by breaking up the regional separation", he said.

More well-defined functions of the central bank and objectives of the monetary policy also have been mapped out.

"The functions of the People's Bank of China will be explicitly defined as the maintenance of the stability of the value of the renminbi, and the exercise of financial supervision and control of the financial system."

The objective of monetary policy would be to maintain the stability of the value of the yuan, but "its intermediate objective will be shifted from the credit ceiling and currency in circulation, to money supply", he said.

"An operational system for the control of money supply will be established and greater use will be made of market-based policy instruments," Mr Chen said.

Some of the reform items outlined would be completed within next year while other issues, would take longer.

"The transition of the state's specialised banks to fully commercial banks cannot possibly be completed in one year's time. It requires more time," he said.

First step toward this direction was to establish some banks in charge of policy-based lending.

### **Economic Success of State Enterprises Stressed**

*OW1910104793 Beijing XINHUA Domestic Service in Chinese 2103 GMT 5 Oct 93*

[By XINHUA reporters Li Chunlei (2621 2504 7191), Chen Guangming (7115 0342 2494), and Du Xiaoming (2629 2556 2494): "State-Owned Enterprises Sailing Toward the Ocean of Market Economy"—XINHUA headline]

[Excerpts] Beijing, 6 Oct (XINHUA)—With one-third of state enterprises running in the red, another one-third having potential deficits, and only the remaining one-third making a profit, the invigoration of large and medium state enterprises has become a hotly debated issue in recent years. Excessive burdens, outdated equipment and technology, rigidly structured setup, and irrational systems have put large and medium state enterprises in an unprecedented predicament.

Despite the predicament, the strategic position of large and medium enterprises in China's modernization drive remains unchanged. As the suppliers of major equipment for various sectors of the national economy, large and medium enterprises turn out more than one half of the output of the machinery industry; 70 percent of the transportation equipment manufacturing industry; and 45 percent of the meters, instruments, and measuring tools industry. As the important production bases for China's energy, raw and semifinished materials, and other primary products, large and medium enterprises provide 55.3 percent of the nation's coal; 98.6 percent of its petroleum and natural gas; 84 percent of its electricity, steam, and heat; and 79 percent of its nonferrous metals. The production of large and medium enterprises is of vital importance to the sound operation of the large-scale production of all of society.

Currently large and medium enterprises still hold an unrivaled edge as far as equipment, technology, and management are concerned. Their 256 technology development persons per 10,000 workers can directly affect the technological progress of the national economy as a whole.

It is precisely because of the edge of large and medium enterprises that their invigoration has understandably become the number one topic in Chinese economic life.

Meanwhile, people are gratified to note the excellent performance in the market by a few large and medium

state enterprises which, holding high the banner of "autonomy in management, responsibility for profits and losses, self-development, and self-restraint," have successfully linked public ownership with a market-oriented economy and revealed promising prospects for further growth, despite the considerable number of enterprises still trying to find their way out of the predicament. [passage omitted] China's large and medium enterprises are writing a new chapter in the history of the world economy. The continuous perfection and development of a socialist market economy through practice by one enterprise after another has become the tremendous propelling force for reform. Large and medium state enterprises' success in transforming their mechanisms will symbolize a prize for China in winning the cross-century economic race as well as a miracle in the history of the world economy.

### **Trade Unions Active in Foreign-Funded Companies**

*OW1810021693 Beijing XINHUA in English 0141 GMT 18 Oct 93*

[Text] Beijing, October 18 (XINHUA)—An official from the All-China Federation of Trade Unions said today that there are 4,274 trade union branches in foreign-funded companies in China.

The figure, he said, is 4.3 times that of five years ago, and they have 780,000 members.

The laws on Sino-foreign joint ventures, solely foreign-funded enterprises and Sino-foreign cooperative enterprises adopted respectively in 1983, 1986 and 1988 all stipulate the right of the Chinese employees to organize and join trade unions.

So far, a dozen provinces and municipalities have drafted regulations concerning the setting up of trade unions in foreign-funded companies.

### **Industry, Commerce Federation Congress Ends**

*OW1710161093 Beijing XINHUA in English 1554 GMT 17 Oct 93*

[Text] Beijing, October 17 (XINHUA)—The five-day Seventh Congress of the All-China Federation of Industry and Commerce (ACFIC) closed here today.

Wang Guangying, vice-chairman of the Standing Committee of the National People's Congress, was elected honorary president of the Seventh Executive Committee of the All-China Federation of Industry and Commerce at the first meeting of the Executive Committee today. Liu Jingji, Sun Fuling and Gu Gengyu were elected deputy honorary presidents of the committee.

Meanwhile, Jing Shuping, 75, a noted industrialist who is now executive director of the China International Trust and Investment Corporation (CITIC) and deputy secretary-general of the National Committee of the Chinese People's Political Consultative Conference, was elected

president of the committee and 20 other persons, including noted Hong Kong entrepreneurs, were elected vice-presidents of the committee.

Addressing the closing session of the congress, President Jing Shuping said that the congress is a significant meeting in the history of the All-China Federation of Industry and Commerce.

During the meeting, he said, the deputies seriously studied comrade Deng Xiaoping's theories on building socialism with Chinese characteristics and further understood that the establishment and improvement of a socialist market economic system lies in the long-term concerted development of state-owned, collective, individual, private and foreign-funded businesses with public-owned system as the main factor.

Since the country adopted the policy of reform and opening to the outside world, President Jing said, the development of non-public sector has played an active role in liberating productive forces, improving the economic structure, increasing job opportunities, providing people with convenient service for daily life, promoting social stability and speeding up restructuring of the economy. He added that it is significant to the development of China's national economy and society and to the establishment and improvement of a socialist market economy to guide the non-public sector to develop in a sustained and healthy way.

The meeting also adopted a resolution calling organizations and members of the ACFIC at all levels to further emancipate the mind and make more contributions to the country's economic and social development.

Over 700 deputies to the congress attended the closing session today.

#### **Editorial Hails Federation's Work**

HK1810135093 Beijing RENMIN RIBAO in Chinese  
18 Oct 93 p 1

[Editorial: "Carry the Cause Forward, Make New Achievements"]

[Text] The Seventh Congress of the All-China Federation of Industry and Commerce [ACFIC] successfully closed yesterday. This was an ACFIC congress of important historical significance, serving as a link between the past and the present and carrying traditions forward and making new advances in the new historical period. The Central Committee and the State Council sent congratulatory remarks to the congress and fully affirmed the ACFIC's work of 40 years, while setting forth new historical requirements for the ACFIC. That is an extremely great encouragement and impetus for the 600,000 or so ACFIC members as well as the broad masses who are engaged in economic operations in enterprises other than those under public ownership. Guided by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, the congress decided the ACFIC's tasks for the next five years, revised its constitution, and produced new line ups for leading organs through elections.

The ACFIC is a people's organization and non-governmental commercial chamber of a united front nature in China under CPC leadership. The ACFIC's purpose is, namely, to follow the theory of building socialism with Chinese characteristics; adhere to the principle of taking the economy of public ownership as the main body, with supplementation from the individual economy, the private sector of the economy, and the foreign investment economy for the long-term common development of various economic elements; unite the industrial and commercial circles; and give play to the ACFIC advantages and role in the socialist market economy to make contributions to realizing socialist modernization, the reunification of the motherland, and the reinvigoration of the Chinese nation.

Since the Central Committee issued an important instruction on the ACFIC's work in July 1991, the ACFIC has united its broad members, given full play to its role as a popular organization, worked hard to open up the new arena of a nongovernmental commercial chamber's work during the new historical period, enthusiastically explored new trains of thought for doing work among representatives from the non-publicly owned economy, and continuously promoted the healthy development of the non-publicly owned economy, thus becoming a bridge and assistant to the party and government in establishing links with the non-publicly owned economy.

Presently, reform, opening up and economic construction are developing in depth in China, and the ACFIC's role will certainly be given greater play. Party committees and governments at various levels should enthusiastically create conditions for the ACFIC and should show concern and support for the ACFIC's work so that it may shoulder the new historical mission. ACFIC organizations at various levels should fully exercise the various functions entrusted to them by the Central Committee and the State Council and should regard doing a good job among those people who are engaged in economic operations in enterprises other than those under public ownership as their own responsibility. They should promote the building of the socialist market economic structure as their goal, while blazing a new path for development with salient socialist characteristics by unfolding work in various forms through various channels. May the ACFIC carry forward the cause, forge ahead into the future, and render new meritorious service.

#### **Leaders Attend Anniversary Ceremony**

OW1810151993 Beijing XINHUA in English 1450  
GMT 18 Oct 93

[Text] Beijing, October 18 (XINHUA)—The All-China Federation of Industry and Commerce (ACFIC) celebrated its 40th anniversary here today.

Attending the ceremony were Chinese leaders Rong Yiren, Li Lanqing, Li Ximing and Wang Guangying, and the deputies to the Seventh Congress of ACFIC, which closed here yesterday.

ACFIC was set up in 1953 when the Chinese Government transformed the nation's industry from a capitalist structure to a socialist one. ACFIC devoted much toward the transformation.

It also has made great contributions to the country's reform and opening to the outside world in the past dozen years.

Jing Shuping, the newly-elected president of ACFIC, said that ACFIC should promote the development of non-public ownership sectors along the path of socialist market economy.

Jing noted that ACFIC will actively participate in the country's political affairs, play a democratic supervisory function and do its best to speed up the country's socialist economic construction.

Wang Zhaoguo, vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), also spoke at the ceremony and said that ACFIC has united, helped, guided and educated the people in the non-public economic circle in the past two years. Acting as a bridge between the non-public-owned economy and the party and the government, ACFIC has made great efforts in promoting the country's economic development and social progress.

Wang, also director of the United Front Work Department of the Central Committee of the Communist Party of China, expressed his hope that ACFIC would do a better job in the 1990s when the country is totally engaged in developing the economy.

Entrepreneurs from Hong Kong, Macao and Taiwan, as well as from Southeast Asia, Japan and the Republic of Korea took part in the celebration.

### East Region

#### Anhui Investigates Cadres' Illegal Use of Funds

OW1410161893 Hefei ANHUI RIBAO in Chinese  
29 Sep 93 p 1

[Text] The provincial CPC Discipline Inspection Commission recently held an on-the-site meeting in Suxian County for all localities to report and exchange their experiences in carrying out "double investigations" work [investigation of public funds illegally borrowed by cadres, staff members, and workers; and investigation of cadres abusing their powers to use public funds], to enable the work to be carried out in an in-depth manner. Statistics show that, as of 31 August, the province had uncovered 790 million yuan of public funds that had been illegally borrowed by cadres, staff members, and workers, of which 510 million yuan had been returned; and had uncovered that 7.925 million yuan of public fund had been spent by cadres by abusing their powers in sending their children and relatives to schools, of which 1.639 million yuan had been returned.

Since the province began the "double investigations" work in May, party committees, governments, discipline inspection commissions, and supervision organs at all levels have regarded the work as a task to correct unhealthy practices and to punish corrupt behavior. The work has enabled a large amount of the recovered funds to be used for productive purposes. Moreover, discipline inspection commissions, supervision organs, and judicial organs have timely investigated some law- and discipline-violation cases uncovered while carrying out the "double investigations" work, and have brought a number of corrupt elements to justice.

Meng Fulin, chairman of the Anhui Provincial People's Congress Standing Committee, who was on an inspection tour in Suxian County, spoke at the report meeting. He pointed out: Party committees, governments, and discipline inspection and supervision organs at all levels should regard the "double investigations" work as a task to deepen anticorruption struggle and should ensure that this task is properly carried out. At the same time, we should seriously sum up experience and lessons deduced from problems uncovered in conducting the "double investigations" work, should strengthen education related to this work, and establish systems to facilitate the work, in order to thoroughly solve these problems.

Huang Shuxun, deputy secretary of the Anhui Provincial CPC Discipline Inspection Commission and director of the provincial supervision department, outlined a plan to carry out the province's next-step in "double investigation" work.

#### 'New Round of Rural Reform' Under Way in Anhui

OW1410073093 Beijing XINHUA in English 0643  
GMT 14 Oct 93

[Text] Hefei, October 14 (XINHUA)—Anhui Province, which pioneered China's rural reforms in the late 1970s, is

now carrying the reforms deeper into the areas of agricultural property, a sensitive area that has never been touched.

The new round of rural reform aims at eliminating the defects revealed in the reform measures taken over the past decade such as the frequent changes in the land with the growth of population, short-term behavior, piecemeal cultivation and fixed land-man relationship which impairs the transfer of rural labor and the fact that a large number of peasants have abandoned their land to take up jobs in rural enterprises.

However, there is no uniformity in the reform measures. Different places are trying different measures they think fit to their local conditions. The central idea is to accentuate the ownership of land, lift the control over the land use right, establish a system of free flow of land use rights and foster the land market.

According to provincial officials, over 80 percent of the villages in the province have readjusted the contracted land by signing written contracts. More than 20 counties and cities in Chuzhou and Woyang have redivided their land into food ration land, reserve land and land for collective bidding. In Chuzhou, some collectives have leased back land from peasant households for scale production.

For the next step, officials said, the term of contract for the land use right will be kept unchanged for a long time or say for at least 50 years and the contracted land use right may be inherited or even traded or sub-contracted, re-leased or used as mortgage. When the contract term expires, the original contractor will have the priority in contracting for another term. The wasteland and idle water surfaces and hills may be contracted out or auctioned by way of inviting tenders.

The original reform was carried out under a given historical conditions, a local official said. But with the passing of time, some defects have begun to show up. The new reform measures have helped land contractors to have a long-term point of view in their operations and also facilitate the movement of the rural surplus labor. Thanks to the flexible measures, the more than 600,000 ha of land lying idle due to transfer of labor have been replanted.

The province has also experimented with the system of shareholding cooperatives with regard to the operation of township enterprises. Now there are 4,310 joint stock cooperative township enterprises in the province, with a total assets worth 520 million yuan. Now such kind of cooperatives have been spreading throughout the province.

In the meantime, the province has also tried to pluralize its rural market system by encouraging the development of private dealers. Now the total transactions by private dealers account for over 90 percent of the provincial total in the rural markets. In Fengyang, Caohu and Jieshou where the private businesses are the most active, the private sector accounts for over one-third of the total rural economy.



**Foreign-Funded Firms Increase in Fujian***OW1310083393 Beijing XINHUA in English 0816 GMT 13 Oct 93*

[Text] Fuzhou, October 13 (XINHUA)—Between January and September this year, Fujian Province in east China approved a total of 3,800 foreign-funded enterprises with contracted foreign investments of 9.08 billion U.S. dollars.

Now the province has nearly 12,000 foreign-funded firms with contracted foreign funds of over 20 billion U.S. dollars and actual use of foreign funds of 5.25 billion U.S. dollars.

Nearly 5,000 foreign-funded enterprises have gone into operation in this coastal province whose economy has quickly progressed in recent years.

In the first nine months of this year, the actual use of overseas funds was 2.14 billion U.S. dollars, compared with the 1.42 billion U.S. dollars in 1992, according to the provincial committee for foreign economic relations and trade.

Between January and September this year, the enterprises with overseas investment had an output value of 21.6 billion yuan (about 4.1 billion U.S. dollars), 36 percent of the total in the province.

They had an export and import volume of 3.47 billion U.S. dollars, of which 2.06 billion U.S. dollars were exports, 52.7 percent of the total of Fujian.

Fuzhou, capital of the province, now has over 1,000 foreign-funded firms in operation. They had a combined output value of 6.4 billion yuan (over 1 billion U.S. dollars) and export volume of over 400 million U.S. dollars, 76 percent of the total in the city in the first eight months of this year.

The city now exports over 1,000 varieties of commodities to over 40 countries, including color TV sets, garments, shoes and building stones.

Because of its geographic position, large sums have poured into the province from Taiwan.

In the first nine months of this year, the province approved 825 Taiwan-funded firms with contracted Taiwan funds of 1.28 billion U.S. dollars, respectively 81 and 122 percent higher than in the same period last year.

**Jiangsu Customs Seize Chemical Waste Shipment***OW1610013893 Beijing Central People's Radio Network in Mandarin 2230 GMT 15 Oct 93*

[From the "News and Press Review" program]

[Text] Nanjing's (Xishengwei) customs recently discovered a shipment of chemical wastes which was declared and imported as fuel oil. It has been disclosed that the cargo was produced by Korea [ROK] and sold by the (Xinjin) Macao International Limited Company.

According to a circular issued by our country in 1991 on strictly controlling the transfer of hazardous wastes to

China from outside its national boundaries, the importation of any hazardous waste must be approved by the State Environmental Protection Bureau. The current shipment, which was made without permission, seriously violates the Basel Convention.

**Shandong's Young Cadres Attend Training***SK1210131793 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 11 Oct 93*

[Text] The pre-job military training for the first group of young cadres of Jinan's city-level organs began on 11 October at the city militia training center. This is the new measure adopted by the Jinan city party committee and the city government to strengthen the building of the ranks of office cadres. All of the 250 young cadres attending the current training are the graduates of universities, colleges, and secondary specialized schools who have just been employed by city-level organs. They will participate in a 20-day barracks life during the training.

**Wu Bangguo Addresses Shanghai Party Meeting***OW1310114593 Shanghai People's Radio Network in Mandarin 2300 GMT 24 Sep 93*

[From the "Morning News" or "News and Weather" program]

[Text] The Shanghai Municipal CPC Committee held a municipal work meeting on building of primary party organizations in the Exhibition Center on 24 September afternoon. The meeting exchanged experience in building up primary party organizations and set some demands for current party building work. Huang Ju, deputy secretary of the municipal CPC committee and mayor of Shanghai, presided over the meeting. Wu Bangguo, member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipal CPC Committee, delivered an important speech during the meeting. Chen Liangyu, deputy secretary of the municipal party committee, made a report.

After analyzing the current situation of the work of Shanghai's primary party organizations, Wu Bangguo repeatedly emphasized that primary party organizations are the foundation of all the party's work and its fighting power, and their condition has a direct bearing on the implementation of the party's line, principles and policies. On how enterprise party organizations can play well their political nucleus role—a question of common concern among all at present, Wu Bangguo emphasized the necessity to strengthen the enterprise party committees and enhance the ability of party organizations in participating in making major policies of the enterprises. He called on the party committees at all levels in Shanghai to strengthen their leadership and give play to the backbone role of political cadres. He also urged them to mobilize all CPC members and all cadres with CPC membership to create a powerful ideological and political work force, go deep into the realities of life, bring every positive factor into play, turn all negative factors into positive factors, and organize the Shanghai people to take part in reform, opening up, and modernization.

Chen Liangyu, deputy secretary of the municipal party committee, delivered a report on behalf of the municipal party committee. His report has six parts: 1) it is necessary to fully understand the great significance in strengthening primary party organizations; 2) it is necessary to conscientiously strengthen the leading groups of enterprise party committees; 3) enterprise party organizations should actively participate in making important policy decisions of enterprises; 4) enterprise party organizations should seriously take up the leadership responsibility for ensuring an effective ideological and political work; 5) it is necessary to improve the party style and establish closer relations between the party and the masses; and 6) it is necessary to strengthen leadership and give play to the fighting bastion role of primary party organizations.

### **Shanghai To Manufacture MD Airplanes**

OW1410095093 Beijing XINHUA in English 0842  
GMT 14 Oct 93

[Text] Shanghai, October 14 (XINHUA)—Some 40 MD [McDonnell-Douglas] airplanes will be made from 1994 to 2001 in Shanghai, the leading industrial city of China.

Shanghai Aircraft Industry Group will import the engines from the United States while manufacturing the other parts. It will design, assemble and test the new MD planes.

By 2001 when the last plane is made, 50 percent of the aircraft parts will be manufactured by China.

All these planes will be operated by the main Chinese airlines.

The group has assembled 35 MD airplanes in the past.

### **Zhejiang's Li Zemin Stresses State Interests**

OW1310140093 Beijing XINHUA Domestic Service in Chinese 0349 GMT 24 Sep 93

[Interview with Li Zemin, secretary of the Zhejiang Provincial CPC Committee, by reporter Wu Keqiang (0702 0344 1730): "It Is Necessary To Take the Overall Situation Into Account"; place and date not given]

[Text] Hangzhou, 24 Sep (XINHUA)—When interviewed by this reporter on enhancing macroeconomic control and deepening reform measures, Li Zemin, secretary of the Zhejiang Provincial CPC Committee, spoke of the need for all, including all levels of leaders, to firmly establish a concept of subjecting ourselves to the overall situation.

Li Zemin noted that various levels of party committees and government, in Zhejiang as a whole had been firm and swift in implementing the first stage of the CPC Central Committee's policy to readjust the macroeconomy. He said that measures worked out in Zhejiang have yielded initial results. Local party committees must promote the awareness of local interests being subordinated to national interests and local party committees being subordinated to the CPC Central Committee. There should absolutely be no ambiguity on this point.

Li Zemin further elaborated on the relationship between the partial situation and overall situation. He said that just as the whole country is like a chessboard, the movement of every piece on the chessboard is directly related to and will affect the overall condition of the entire country. Therefore, local leaders and department heads must take the overall situation into account and consciously subordinate themselves to, help maintain, and act according to overall situation. There are some prominent problems in our country's economic life which might not appear to be very obvious to the people in localities. Assessing these problems is impossible without taking the overall situation, the macroeconomy, and future development trends into account. Serious consequences might result if everyone goes his or her own way, or if localities only attend to their own interests while disregarding national interests.

Li Zemin said that if overall interests suffer, local interests will cease to exist. As a part of the national economy, Zhejiang's economy is bound to be affected by the national economy. If the macroeconomic environment of the national economy deteriorates, if the shortages of capital and raw materials worsen, and if the energy and communications "bottlenecks" become more serious, it will be difficult for Zhejiang's economy to continuously maintain a "high growth rate and to operate at full throttle." Only through controlling the macroeconomy and gradually alleviating or solving prominent contradictions and problems in economic life, and through fostering a healthy, orderly, and relatively relaxed economic environment in the entire country will Zhejiang's economy develop in a sustained, rapid, and healthy manner. Of course, localities might be affected in some ways, and they even have to make certain sacrifices when subordinating themselves to national interests. We should have such an awareness and prepare psychologically to make such sacrifices and voluntarily make appropriate adjustments in our work.

Does this mean that stressing the need to subordinate local interests to national interests leaves localities no more role to play? Li Zemin does not think so. He said that a rereading of Comrade Deng Xiaoping's important remarks during his tour of southern China and of the CPC Central Committee's instructions on enhancing macroeconomic control makes us feel even more the need to unwaveringly adhere to the strategic thinking of emancipating the mind, seeking truth from facts; seizing, treasuring, and taking good advantage of opportunities; and accelerating development. By formulating measures to enhance macroeconomic control, the CPC Central Committee intends to promote reform, to use reform thinking and methods to solve existing problems in economic life, and to help us create new development opportunities.

Li Zemin said that in consideration of the actual situation in Zhejiang, all levels of leading cadres are required to increase their awareness of stressing national interests and to comprehensively and clearly analyze the economic situation. He said that the situation in Zhejiang has been excellent since last year and that Zhejiang has continuously enjoyed good momentum in reform, opening up, and economic development. We must encourage the precious

initiative displayed by a large number of cadres and the masses. However, we also need to give correct guidance to those who developed unrealistic tendencies in the course of great development through summing up practical experiences and through thoroughly studying the guidelines set down by the CPC Central Committee. At present, a mood of "I will be at a disadvantage" prevails among the cadres. They are afraid that they might get the worst of it if they follow the instructions of the CPC Committee and give up their new projects while other cadres go ahead with theirs by flaunting the central government's instructions. Other cadres stress the uniqueness of their regions and seek permission from above to proceed with new projects. Therefore, there arises a need for cadres to further raise their ideological level and to enhance their leadership abilities; to better integrate mind emancipation with seeking truth from facts; to raise their capability for grasping the general economic situation; to keep in good spiritual condition and remain sober-minded; to prevent and overcome an unrealistic tendency and one-sided approach in work; to integrate principles and policies of the CPC Central Committee with the actual situation in localities and departments; to work creatively; and to promote the sustained, rapid, and healthy development of Zhejiang's economy.

### Central-South Region

#### Guangdong's Xie Fei on Work in Mountainous Areas

##### Calls for 'Eradication' of Poverty

HK1410054693 *Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 9 Oct 93*

[Text] After successfully fulfilling its agenda, the Eighth Guangdong Provincial Mountainous Areas Work Conference concluded in Zhaoqing today.

Zhang Guoying, provincial party committee deputy secretary, presided over today's closing session at which Xie Fei, CPC Central Committee Political Bureau member and provincial party committee secretary, delivered an important speech in which he called on all areas concerned to adhere to their successful ways of pushing ahead with the economic development mountainous areas.

Xie Fei pointed out: In order to accelerate the pace of poverty eradication and bring about a comparatively well-off livelihood in the mountainous areas, it is imperative to firmly grasp the following four work aspects at the same time:

1. To develop a planting and breeding industry and high-yield, high-quality, and high-efficiency agriculture.
2. To develop township and town enterprises and a joint-stock cooperative economy.
3. To expand opening up, invite capital, technology, and qualified personnel from other areas, and open up more markets.
4. To build more communications and other infrastructural projects.

Comrade Xie Fei also dwelled in his speech on the following eight work aspects with an eye on pushing ahead with the development of township and town enterprises: 1) heighten understanding; 2) strengthen leadership; 3) rely on the masses; 4) suit measures to local conditions; 5) implement a joint-stock cooperative economic system; 6. expand opening up, invite foreign capital, and establish lateral economic associations with other areas; 7) attach great importance to quality and efficiency and build more infrastructural facilities; 8) vigorously carry out poverty eradication work.

Comrade Xie Fei stated: Only by relying on the broad masses of the people will we be able to further develop township and town enterprises because there are both qualified personnel and capital among the masses. What we have to do at the moment is to look for a sensible way and a better form for giving scope to the enthusiasm of the masses. Nevertheless, implementing the joint-stock cooperative economic system remains an important way of mobilizing the enthusiasm of the masses and accelerating the development of township and town enterprises. Insofar as township and town enterprises are concerned, they can be run by collective units and individual peasants and can also be jointly run by both collectives and individuals and by both local and foreign-funded units as well provided that they hold the shares of the township and town enterprises concerned.

Comrade Xie Fei stated: We should encourage and support fair competition among and the common development of different economic components. In this regard, communications is of special significance to the development of township and town enterprises and to the overall economic development of mountainous areas. This is why we should try in every way to allocate part of our limited funds to assist highway construction in mountainous areas. The provincial, city, and county authorities as well as the various areas concerned across the province should each try to make every possible endeavor to set up a township and town enterprise development fund which really caters to the needs of poor mountainous areas. Financial and banking institutions, on their part, should adopt a series of preferential policies for township and town enterprises in mountainous areas.

To conclude, Xie Fei called on all areas concerned across the province to step up spiritual civilization building to push ahead with overall provincial economic growth.

##### Calls Rural Industry 'Critical' to Economy

OW1510163893 *Beijing XINHUA in English 1416 GMT 15 Oct 93*

[Text] Guangzhou, October 15 (XINHUA)—Southern Guangdong Province is taking measures to ensure that relatively backward mountainous areas of the province will catch up with more developed areas within 20 years.

The Communist Party chief in the province, Xie Fei, said in a recent meeting that the development of rural industry is of critical importance in the drive to transform the economy of mountainous areas.



Officials from the provincial government said that Guangdong will soon outline new rules to encourage the development of rural enterprises, which will include favorable policies and funding.

The Department of Finance has decided that between 1994 and 1997, it will provide 30 million yuan each year for the development of rural enterprises.

The government hopes that with the funds, each mountainous county will set up two to three major enterprises, which will function as a locomotive to pull forward the local economy.

Meanwhile, the province will continue encouraging more developed coastal areas to help their more backward cousins in terms of capital, technology and training of personnel.

Guangdong's mountainous areas stretch 116,000 square km, and contain a population of 26 million people.

The economy of the mountainous areas has been developing quickly in recent years due to large-scale investment from the government, official sources said.

In 1992, the mountainous areas produced a total GNP value of 42.8 billion yuan, 21.9 percent higher than in 1991. The average income for each farmer reached 1,072 yuan in that year.

Relying on the exploitation of mineral resources and the processing of farm products, township enterprises have also grown quickly.

In 1992, township enterprises in mountainous areas earned 26.6 billion yuan, a 43.5 percent rise over 1991.

From 1988 to the first half of this year, the provincial government has launched 133 industrial projects in 44 mountainous counties, with a total of 4.5 billion yuan investment.

From 1990 to the end of this June, Guangzhou, Zhuhai, Shenzhen and other coastal cities have sponsored 297 construction projects in the mountainous areas, involving capital of up to 466 million yuan.

Despite the remarkable progress already made, officials sources said, around two million people in the province's mountainous area are still living below the official poverty line, each earning less than 500 yuan per year.

### Guangdong Takes Measures To Improve Social Order

HK1710074493 *Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 15 Oct 93*

[Text] The reorganized Guangdong Committee for Comprehensively Improving Social Order held its first plenary session today to coordinate closely with the recent anticorruption struggle and comprehensively improve Guangdong's social order.

The current situation of Guangdong's social order is still grim. The number of major vicious cases has increased

sharply and activities of the seven evils are spreading. For this reason, Guangdong will adopt measures in the near future to comprehensively improve social order. These measures include: Screening hotels, catering services, and amusement facilities; banning the practice of massages offered by the opposite sex and girls escorting services; and suspending the issue of licenses to hair salons and beauty parlors and reducing the number of existing hair salons and beauty parlors.

On the question of sternly attacking criminal activities, it is necessary to continue to attack triad gangs before the end of the year, and encircle and wipe out highwaymen and gangs along the highways and railways during the New Year's celebrations and the spring festival.

### Guangdong Industrial Output Up, Growth Rate Down

HK1510071693 *Beijing ZHONGGUO XINWEN SHE in English 0750 GMT 14 Oct 93*

[Text] Guangzhou, October 14 (CNS)—According to the latest statistical information from the Guangdong Provincial Statistical Bureau, industrial output remained comparatively high but its rate of growth continued to drop.

From January to September, the total industrial output value by industrial enterprises at township level and above amounted to RMB 291.163 billion [renminbi], an increase of 35.47 percent over the same period last year. In the first nine months of the year, the growth rate for all industry dropped by 0.56 percentage points over that in the January to August period, compared with the same periods last year.

The total industrial sales value in September was 0.88 percentage points lower than for August. The selling rate of products was down by 0.5 percentage points. From January to August, the total rate of profits and taxation earned by enterprises using independent accounting was 12.3 percent, a drop of 0.6 percentage points compared with the period from January to July.

### Guangzhou To Expand Financial Services Sector

HK1810102293 *Beijing ZHONGGUO XINWEN SHE in English 0758 GMT 18 Oct 93*

[Text] Guangzhou, October 18 (CNS)—Guangzhou, capital of Guangdong province, plans to become a world regional financial centre.

In its drive to become a financial centre, Guangzhou is facing challenges and difficulties including the early promotion of Shanghai, Wuhan, Shenzhen and Beijing as financial centres and the missed opportunity of setting up the country's first stock exchange. Such exchanges have already been established in Shanghai and Shenzhen. Guangzhou also lags behind in the introduction of foreign-funded banks, the city has only six while Shanghai and Shenzhen have twenty each.

Guangzhou, however, has certain advantages in this respect. First, its financial assets exceed RMB 100 billion

[renminbi] including bank deposits and valuable securities, putting the city first among the ten big cities in the country.

Second, the city has taken a lead in the construction of financial facilities with a bill exchange centre able to handle 100,000 bills per day being set up in the city.

Third, the city is moving towards integration with international practice in terms of financial business.

In addition, according to the city's People's Bank of China, the bank's branches and other financial grass-roots units in the city now number more than 1,900, with the density of such institutions almost catching up with that in Hong Kong. Foreign exchange owned by its residents amounts to U.S.\$1.5 billion and its idle capital, residents' savings deposits and foreign exchange earnings also put the city first in the country.

According to the People's Bank of China in the city, Guangzhou is speeding up the construction of its financial hardware. The city has decided to set up a financial area in its Tianhe District through bid-invitation and plans to establish a financing centre, a foreign exchange market and a high-efficiency and full-functional financial system with the five markets of currency, securities, foreign exchange, gold and insurance.

#### **Guangxi Puts 'Returned Students' in College Posts**

OW1710120693 Beijing XINHUA in English 1138  
GMT 17 Oct 93

[Text] Nanning, October 17 (XINHUA)—Southwest China's Guangxi Zhuang Autonomous Region has promoted 10 returned students to college leadership positions.

Four of the ten are doctorates. Among the four, 36-year-old Tang Jiliang was promoted to the vice presidency of the Guangxi Agricultural University. Two have been made vice presidents of the Guangxi Medical Sciences University.

Meanwhile, the Guangxi regional government has promoted 19 other young scholars to enter the leading bodies of colleges.

The average age of the province's college leaders has been lowered to 47.

#### **Guangxi Industrial Production Increases 25 Percent**

OW1410071493 Beijing XINHUA in English 0649  
GMT 14 Oct 93

[Text] Nanning, October 14 (XINHUA)—South China's Guangxi Zhuang Autonomous Region is enlivening its economy with the focus on industry.

According to statistics, its industrial production in the first nine months of this year went up by 24.9 percent and the sales rate amounted to 96.2 percent over the same period of last year.

The profits obtained by the state industrial enterprises rose by 379 percent during this period while the deficit dropped by 38 percent.

A regional official in charge of industry attributed the good results to construction of power facilities and popularization of share-holding system.

According to the official, the region generated 13.03 billion kilowatt-hours of electricity in the January-September period, an increase of 16.69 percent over the same period last year thanks to the operation of four newly-installed generating units of two key state hydroelectric power stations.

At present this multinational autonomous region has 80 share-holding enterprises, 34 percent of which are industrial plants.

These enterprises are following the international conventions to streamline their organizations and accounting system so as to compete on the market.

In addition, Guangxi is seeking foreign aid to help promote its economy.

A survey report shows that the region absorbed overseas investment totalling 730 million U.S. dollars in the first eight months of this year. Its rate of growth ranked first among 12 coastal provinces and municipalities.

These funds were used mainly to import and master advanced technology and managerial experience, according to the official.

#### **Shenzhen City Opens Local Air Service 14 Oct**

OW1410144893 Beijing XINHUA in English 1405  
GMT 14 Oct 93

[Text] Shenzhen, October 14 (XINHUA)—South China's Shenzhen City opened a local air company today.

The local carrier has two Boeing-737 planes, which service air routes to 11 cities in the country, including Beijing, Shanghai, Zhengzhou, Haikou, Chengdu, Hangzhou, Nanjing, Xiamen, Wenzhou, Yantai and Meixian.

The new air firm is jointly sponsored by Air China and a number of local companies.

Shenzhen, known as a testing grounds of new ideas in China, has an airport that is linked through air routes to most big cities in China. Surging demand in terms of both passengers and goods has pushed the city to start planning an international airport that will be one of the largest in China.

#### **Zhoukou Court Sentences 'Fake Medicine' Producer**

OW1510153593 Beijing XINHUA in English 1523  
GMT 15 Oct 93

[Text] Zhengzhou, October 15 (XINHUA)—Wang Zhiqiang, the principal culprit in a fake medicine case, was sentenced to life imprisonment today.

The judgment was announced by the Intermediate People's Court of Zhoukou Prefecture after one and a half years of investigation.

Wang, the former director of the No. 1 Veterinary Medicine Factory in the prefecture, in central China's Henan Province, was found guilty of producing and selling fake and poor-quality products, forging official papers and seals, illegal custody and bribery.

He was also deprived of all political rights for life by the sentence.

The No. 1 Veterinary Medicine Factory is a collective enterprise subsidiary to the Agriculture Department of Henan's Shenqiu County.

The court found that from 1986 to August 1992 the factory had produced and sold fake and poor-quality medicines. Wang Zhiqiang was the chief organizer and his chief accomplice Guo Xinling was the chief assistant in the scheme. Li Zhen and former deputy director of the factory Wang Xuetian were responsible for technology, and Chen Jinlong, the former sales manager of the factory, was responsible for selling the fake and poor-quality products.

In the said period, the factory produced large amounts of a total of 17 types of substandard veterinary medicines, including analgin, aminopyrine and dipterex, and gentamicin, terramycin and five other kinds of medicines for human consumption.

These medicines were sold to dozens of counties and cities in six provinces under the trademarks of the factory or of other producers.

According to the police investigations, the factory sold a total of 14,000 items of fake and poor-quality medicine, with a turnover of 2.3 million yuan.

In December 1988 a certain Liang, of a veterinary hospital in the suburbs of Taikang County, bought medicines from the factory, which he found to be substandard. When he refused to pay he was kidnapped late at night and taken to the factory in a car by Wang Zhiqiang, Guo Xinling and others. Liang was held there illegally for a day and a night.

Also in 1988, Wang Zhiqiang and Guo Xinling offered bribes totalling nearly 40,000 yuan to local leaders and officials of related departments.

The court made its judgment in accordance with the stipulations of the Criminal Law and of the Standing Committee of the National People's Congress on the penalties for producing and selling fake or poor-quality products, which took effect September 1 this year.

Guo was sentenced to 17 years' imprisonment and deprived of political rights for five years.

Wang Xuetian and Chen Jinlong are still at large.

Six former officials of Shenqiu County were also sentenced.

Former party secretary of the county Liu Weidong was sentenced to eight years for twice accepting bribes totalling 14,000 yuan.

Former deputy magistrate of the county Cui Donghua was sentenced to nine years for dereliction of duty and accepting a bribe of 10,000 yuan in cash and a video-player worth 2,500 yuan.

Former deputy director of the Agriculture Committee of Shenqiu County Zhao Haibin and former director of the Veterinary Division of the Henan Bureau of Animal Husbandry Jin Guangyi were sentenced to seven and three years, respectively, for complicity in corruption and accepting bribes.

Former director of the Agriculture Bureau of the county Lu Chengyun and former director of the Bank of Agriculture of the county Wang Fengxiang were found guilty of accepting bribes, but were not punished as they had expressed repentance for their crimes.

### Southwest Region

#### Tibetan Educators Urged To Oppose Dalai Lama 'Clique'

HK1510065193 Xian SHANXI RIBAO in Chinese  
8 Oct 93 p 1

[By correspondent Liu Hanwen (0491 5060 2429) and staff reporter Gao Ling (7559 7117): "Work Conference on Ideological and Political Education in Tibet Institutions of Higher Learning, Special Secondary Schools, and Middle Schools Held in Xianyang"]

[Text] "Educational departments at all levels, institutions of higher learning, special secondary schools, and middle schools in Tibet must take education in opposing separatist and infiltration activities of the Dalai Lama clique and safeguarding the unification of the motherland and the unity of nationalities as an important aspect of education in patriotism and socialism and grasp this work closely and satisfactorily for a long time so that we can truly train builders and successors who have lofty ideals, moral integrity, knowledge, and discipline." This is an important issue especially stressed at the work conference on ideological and political education in Tibetan institutions of higher learning, special secondary schools, and middle school held in Xianyang City, Shaanxi Province, in early October.

Danzim, deputy secretary of the Tibet Autonomous Region CPC Committee, and leading comrades of the State Education Commission, State Nationality Affairs Commission, and relevant departments of Shaanxi Province and Xianyang city attended the meeting. In line with the spirit of the National Work Conference on Party Building in Institutions of Higher Learning and the spirit of the regional party committee and government work conferences, and in close coordination with practical conditions in Tibet, they exchanged experiences with people in charge of all universities, colleges, and special secondary schools in how to educate people by imparting knowledge, exercising management, and providing services.

On the basis of analyzing the situation and seeking unity of thinking, the participants repeatedly stressed that institutions of higher learning, special secondary schools, and middle schools are important venues for training successors to the socialist cause and building spiritual and material civilizations. Given that the Dalai Lama clique is intensifying its separatist and infiltration activities, the situation of anti-separatist struggle in the region is very grim. Serious efforts should be made to step up education in opposing splits and infiltration and safeguarding the unification of the motherland in universities, colleges, special secondary schools, and middle schools to truly train builders of and successors to the socialist cause. This is a major issue which has a bearing on Tibet's long-term stability and destiny and on the success or failure of socialist construction in Tibet. It represents a test of the leaders of educational departments at all levels and schools and of teachers, students, and staff members, and is the touchstone for judging whether party organizations play their role as a political nucleus and whether the leading bodies have a firm stand, adhere to the four cardinal principles, and keep to a socialist orientation in running schools.

At the meeting, Comrade Danzim gave a report on behalf of the regional party committee and government. The participants discussed and approved a "Decision on Stepping Up Education in Opposing Splits and Infiltration and Safeguarding the Unification of the Motherland in Institutions of Higher Learning, Special Secondary Schools, and Middle Schools Throughout the Region."

#### **Tibet 'Welcomes' Foreign Exploitation of Resources**

*OW1510114793 Beijing XINHUA in English 0721 GMT 15 Oct 93*

[Text] Lhasa, October 15 (XINHUA)—Southwest China's Tibet welcomes foreign investors to exploit the region's rich natural resources, a local governmental official said today.

Tibet has 94 proven mineral reserves, including ferrochrome, copper, corundum and magnesite, more than 600 hot water springs and 200 million kw of water power resources.

Tibet has also China's second biggest forest and one of the country's five grasslands, where yaks and goats graze.

So far a couple of Sino-foreign joint ventures to wash wool and to produce mineral water have been set up in Tibet.

The official said that mining was Tibet's major industry; its output value makes up one-third of the region's total industrial output.

There are currently 56 state or collectively-owned mining enterprises and more than 200 privately-owned mining enterprises in Tibet. More than 7,000 people are in the mining industry.

#### **Reform Brings Social, Economic Changes to Tibet**

*OW1710092593 Beijing China Radio International in Mandarin to Asia 0900 GMT 3 Oct 93*

[From the "Report on Current Events" program]

[Text] The policy of reform and opening up has changed Tibet socially and economically, making it remarkably stronger in the economic field. Tibet's gross regional product, regional income, total agricultural output, and total industrial output amounted to 3.329 billion yuan, 2.818 billion yuan, 2.245 billion yuan, and 497 million yuan, respectively, in 1992. During the past decade or so, Tibet has implemented the policy of rehabilitating farming and pastoral areas; maintained and improved the policy of restoring land-use rights to households; maintained the long-term policy of allowing livestock farmers to own and raise their animals independently; and has gradually established a socialized service network. These policies have promoted economic development in farming and pastoral areas.

In enterprise reform, the region has actively implemented the contract management responsibility system and the responsibility system for factory directors and managers. It has also instituted relevant supplementary reforms, thereby improving enterprises' economic performance. After suffering chronic deficits, Tibet's local financial authorities began to climb of the red in 1988, posting 102 million yuan in revenue in 1992. In 1984, the state spent 477 million yuan to build 43 key projects in Tibet, thereby sparking a new construction boom that has spurred economic development across the region. A project to promote all-around development in the central basin drained by the Yarlung Zangbo Jiang and its two tributaries is being carried out in 18 counties in the region. Construction of the Yamzho Yumco pump-storage power plant—in which approximately 600 million yuan have been invested—formally resumed more than six years ago. And construction of a host of large and medium key projects is proceeding at full steam. These projects are designed to repair the Qinghai-Tibet and Sichuan-Tibet Highways, to remodel the Bangdag Airport, and to rebuild the China-Nepal Highway. The expansion project for the Gonggar Airport has been completed. After the completion of these projects, Tibet will have established a number of production bases for commercial grain and nonstaple foodstuff. It will also have alleviated its energy shortages and transportation problems, thereby acquiring the capability to sustain economic development and invigorate its economy.

Tibet has actively forged friendly contacts and economic and technological cooperation with other countries and has increased lateral economic ties with other provinces and autonomous regions, thereby achieving breakthroughs in both internal and foreign trade. It has introduced tremendous changes in the commodity distribution system. Its urban and rural markets have become increasingly vibrant, with region-wide retail sales volume reaching 1.684 billion yuan in 1992. Tibet's total export and import volume amounted to \$64.34 million in 1992.



The policy of opening up to the outside world has led to thriving foreign trade in Tibet's border posts at the foot of the Himalayas. An entirely new pattern of opening up to the outside world is shaping up.

In recent years, Tibet has specifically stepped up urban construction. The government has allocated 89.46 million yuan for Lhasa, Xigaze, and other old cities to rebuild their running water and sewage systems, power utilities, and hazardous buildings. It has also invested 15 million yuan in building vegetable farms. Cities and towns in Tibet have become remarkably stronger in the economic field and are playing an increasingly important role in reform and opening up.

### **Tibet's Science, Technology Enters 'New Stage'**

OW1210010493 Beijing XINHUA in English 0034  
GMT 12 Oct 93

[Text] Lhasa, October 12 (XINHUA)—The development of science and technology in southwest China's Tibet Autonomous Region has maintained a high speed.

So far there are over 13,000 natural science researchers working here in fields ranging from agriculture, animal husbandry, meteorology, hydrology, hygiene, transportation, energy and biology to geology.

About 19 independent science research organs have been established which have 530 professional science and technology research staff members.

There are 47 mass academic organizations with more than 9,000 members.

Many of the scientific and technological research groups in Tibet are composed of Tibetan locals.

However, before the peaceful liberation of Tibet, modern science and technology in the region was a blank field. In the later years, large numbers of scientists have been sent to the region from inland provinces and in the meantime many local Tibetans have received professional training.

To help local economic construction, the local Government of Tibet has put more efforts into developing applied science and technologies which closely relate with human life.

Now science workers in Tibet have completed 2,000-plus research projects, of which 387 items won scientific and technological achievement prizes of the region, 21 won the national science assembly prizes, four got the national science-progress prizes and another 20 took various state ministries' and commissions' prizes.

The development of science and technology has greatly pushed forward Tibet's economic construction. For instance, Tibet was one of the first regions to introduce new technologies in agriculture and animal husbandry, and now the per unit area yield is over three times that before liberation.

In recent years, the science and technology undertaking in Tibet has entered a new stage. The region has seen

increasing scientific exchanges with foreign countries and regions such as Japan, Sweden, Germany, the Netherlands, the United States, Canada, England and Australia.

### **Tibet Leaders Attend Radio-TV Work Conference**

OW0910131693 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 15 Sep 93

[From the "News" program]

[Text] The Sixth Tibet Regional Radio and Television Work Conference was held in Lhasa on 15 September. Tibet leaders attending the conference included Raidi, Danzim, Laba Pingcuo, (Yang Song), and (Luosang Danzim). The conference was presided over by (Suoda), deputy secretary general of the Tibet Autonomous Regional People's Government. (Gesang Langjie), director of the Radio and Television Department of Tibet, issued a work report at the conference entitled "Change the Way We Think and Deepen Reform To Open Up a New Situation of the Radio and Television Work." (Gesang Langjie) stated: Over the last four years, since the holding of the Fifth Tibet Regional Radio and Television Work Conference, Tibet's radio and television front has closely centered on the central tasks of the party and government; has adhered to the correct propaganda course; and has worked to improve the quality of radio and television programs. It has done a great deal and achieved noticeable results in publicizing, studying, and carrying out the guidelines of the 14th CPC National Congress; in publicizing the Tibet Regional CPC Committee's policy which we should tightly grip with two hands; in guiding, assisting, and inspiring cadres and the masses across Tibet to emancipate their minds and change the way they think; in pushing Tibet to deepen reform and broaden the scope of opening up; and in preserving the motherland's unification and nationality unity. Thanks to the efforts of radio and television workers across the autonomous region, radio and television has become increasingly influential in Tibet's urban, agricultural, and pastoral areas. Now radio and television have become a welcome and intimate friend of people of all nationalities in Tibet, as well as a means and teacher for guiding people to emancipate their minds, change the way they think, gain new information, and become better in using scientific knowledge. With the concern and assistance of the party, the Tibet Regional CPC Committee and government, and other concerned departments at various levels, Tibet's radio and television work has advanced to new levels over the last four years, and a number of infrastructural facilities have been completed. At the end of 1992 Tibet had two radio stations, two television stations, 28 radio transmission and relay stations, 203 television relay stations, and more than 600 satellite ground receiving stations. Radio broadcasts are now available to about 40 percent of Tibet's population, an increase of 18.2 percent over 1989; television broadcasts are available to 36.5 percent of the autonomous region's population, 2.5 percent more than in 1989.

(Gesang Langjie) continued: Radio and television work is a powerful and modern propaganda and educational tool. According to the guidelines of the 14th CPC National

Congress, to meet the requirements of building a socialist market economic system in light of the reality of Tibet's radio and television work, the guiding ideology for the next-step in the reform of Tibet's radio and television work is to work in a down-to-earth manner using Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as guidance, expanding radio and television's population coverage and establishing economic entities as the (?two wings), and using deepening internal reform as a guarantee. To meet the demands arising from the new situation and tasks, radio and television work should first be focused on publicizing Tibet's economic situation and economic work. Second, prominence should be given to publicizing the counter-splittist struggle and to the need to further ensure social stability. Third, we should stress anticorruption propaganda. Furthermore, we should actively expand radio and television coverage areas, enhance our ability to dub radio and television programs in minority languages, improve the quality of radio and television programs and the transmission effect of these programs, train more radio and television specialized personnel, and strive to raise Tibet's radio and television work to a new level.

Attending the conference were leaders of Tibet's radio and television department and other concerned departments; commissioners of various prefectures and cities in charge of cultural affairs and radio and television work; leaders of the organization departments, propaganda departments, planning and economic commissions, finance bureaus, and bureaus of cultural affairs and radio and television work of various prefectures and cities; and leaders of the Shannan People's Radio Station, the Lhasa City television station, and relay stations of various prefectures, cities, and counties.

#### **Tibetan Palace Marks Return of Buddhist Statue**

OW0810161893 Beijing XINHUA in English 1521  
GMT 8 Oct 93

[Text] Lhasa, October 8 (XINHUA)—The Potala Palace held a ceremony here this afternoon to mark the return of a Guanyin Bodhisattva statue.

A major Buddhist statue in Tibetan worship, the Guanyin Bodhisattva is the top treasure of the Potala Palace.

The statue was shipped to Tibet from a village located between Nepal and India by Songtsan Gambo, the first king of Tibet, who reigned during the seventh century.

Legend has it that the magnificently decorated statue, which is more than 1,370 years old, was naturally formed from sandalwood.

The statue was moved out when the Potala Palace was being renovated.

According to Wang Minxing, an official in charge of the renovation project, not one relic in the palace has been damaged or lost since workers began revamping the palace in 1989.

### **North Region**

#### **Beijing Mayor Addresses Minority Entrepreneurs**

SK1410132293 Beijing BEIJING RIBAO in Chinese  
30 Sep 93 p 1

[Text] On the afternoon 29 September the leading comrades of the municipal party committee and the municipal people's government, including Chen Xitong, Li Qiyang, and He Luli, received all members of the delegation composed of the model directors (managers) of plants or companies run by minority people throughout the country, who were making a fact-finding tour in the municipality.

The fact-finding delegation includes more than 150 model minority entrepreneurs from 30 provinces, autonomous regions, and municipalities across the country, who have attended the national commendation meeting held in Beijing in honor of model minority plant directors (managers) across the country.

During the reception, Mayor Li Qiyang delivered a speech in which he first expressed warm welcome to the delegation on behalf of the municipal party committee and the municipal people's government. He said: The happy gathering in the capital of all outstanding representative of various nationalities across the country on the eve of the 44th anniversary of the PRC's founding represents the flourishing of our motherland and the grand unity of various nationalities. All outstanding plant directors and managers present here are outstanding representatives of various nationalities throughout the country, who have scored marked achievements in developing the economy. Therefore, we should learn from them. He said: Beijing is the capital of various nationalities across the country and the success of building up the capital represents the desire of all people in the country. Over the past few years, Beijing has scored some achievements in its work under the correct leadership of the CPC Central Committee and the State Council and thanks to the vigorous supports given by various localities and the people of various nationalities throughout the country. He urged the delegation to put forward more precise opinions to the municipality and to point out its shortcomings during its tours so as to commonly enable Beijing to improve. He wished the delegation a happy tour in the municipality.

During the reception Fan Yuanmou, secretary general of the municipal people's government, briefed the delegation on the municipal plans and its situation in reform and opening up.

#### **Beijing Secretary Attends Ceremony Opening Road**

SK1410130593 Beijing BEIJING RIBAO in Chinese  
1 Oct 93 p 1

[Excerpts] In accelerating the construction of roads, Beijing Municipality has accomplished another road expansion project and opened the expanded Guangning road, a vital communications line and a link between Shijingshan and Mentougou districts, into traffic on the eve of National Day. Attending the opening ceremony for the

road were Chen Xitong, Li Qiyang, Zhang Baifa, Yang Chaoshi, Qiang Wei, Tie Ying, Feng Mingwei, and Huang Jicheng. [passage omitted]

Opening the expanded Guangning road into traffic is another dedication for roads following those held by the municipality over the past 15 days for the airport express highway and for the revamped third east ring road. Meanwhile, the municipality has also scored great achievements in the first-phase operation of revamping the Guangnei street of Xuanwu district. Workers in charge of municipal engineering projects prefulfilled their construction plan for building the Beixiang overpass through 100-day hard work and opened the overpass into traffic few days ago.

Following the opening ceremony for the expanded road, municipal leading personnel, including Chen Xitong, Li Qiyang, and Zhang Baifa, received the representatives from the major construction units that were in charge of expanding the road. They also conducted an inspection over the expanded road by riding a car.

#### Beijing's Chen Xitong Inspects Tree Planting

SK1410124993 Beijing BEIJING RIBAO in Chinese  
29 Sep 93 p 1

[By Reporter An Wei (1344 0251) and Beijing People's Broadcasting Station Reporter Fan Xiaoqian (5400 2556 5409): "The Capital's Endeavor To Green the Environment Should Develop Continuously Every Day"]

[Excerpts] Chen Xitong, secretary of the municipal party committee, and Li Qiyang, mayor of the municipality, led a team to conduct the 20th inspection on suburban areas' work to green and beautify the environment on 28 September. The inspection, which has been conducted twice a year for 10 years, has effectively promoted the capital's work to green and beautify the environment. [passage omitted]

Chen Xitong, Li Qiyang, and others chiefly inspected new parks and garden-like enterprises, offices, and residential areas. With great interest, the municipal leaders visited the Lidu Park, a small park built with the investment of Lidu Hotel. Occupying an area of six hectares full of scenic beauty, the park has greatly beautify the areas surrounding the hotel. Chen Xitong fully affirmed the practice that enterprises invest in building parks. He pointed out: Parks have been built by the municipality as well as various districts, townships, villages, enterprises, and individuals to quicken the pace for the capital to green and beautify its environment. We should greatly advocate this practice. Tourist hotels should not only decorate their guest rooms well but also green and beautify their external environment. Only in this way can they attract more guests. [passage omitted]

Chen Xitong emphasized in his speech: The achievements in greening the environment won in the past 10 years were the result of the endeavor to emancipate the mind continuously. Some people have praised the endeavor to green the environment, and others have censured it for many years. This is not strange because it is a process of

understanding. The key lies in leaders. We have won achievements and seen the results. Practice is the only criterion for testing truth. Everyone has attained a common understanding of the importance of this endeavor. He agreed with what Li Qiyang had said—greening and beautifying the environment should be regarded as urban infrastructure, and leaders at the municipal, district, township, and village levels should all embrace this idea and never grudge to set aside land for tree planting or for road repair. He pointed out: Thanks to the persistent efforts in greening the environment in the past few years, we have brought up a number of tree planting personnel, tree planting activists, people addicted to tree planting, and young experts. This is very important. We should summarize the experiences gained in the past 10 years and learn from them to achieve still better results in greening and beautifying the capital. We should advance continuously to make today's work better than yesterday's and tomorrow's work better than today's. More than 40 percent of urban areas should be greened by the year 2000. This is an arduous task, which cannot be fulfilled without building several large forests and taking large moves. We should conduct conscientious study to accomplish it. [passage omitted]

#### Biography of Shanxi Deputy Secretary Sun Wensheng

HK1410142593 Taiyuan SHANXI RIBAO in Chinese  
30 Sep 93 p 1

[“Biographical Notes on Comrade Sun Wensheng”]

[Text] Sun Wensheng, a male Han national, is a native of Shandong's Weihai. Born in February 1942, he received a college education in the Shandong Metallurgical Institute and received the title of engineer. He began work in November 1963 and was admitted to the party in February 1966. He was deputy secretary of the Hunan Provincial CPC Committee and is now deputy secretary of the Shanxi Provincial CPC Committee.

After starting work, he assumed the offices of group leader, deputy director, and director of the Distribution Office of the Zhuzhou Metallurgical Factory; deputy director of the Zhuzhou Metallurgical Factory in 1981; secretary of the Zhuzhou CPC Committee in 1983; deputy head of the Organization Department of the Hunan Provincial CPC Committee and Standing Committee member of the Hunan Provincial CPC Committee in 1984; Standing Committee member of the Hunan Provincial CPC Committee and head of the Organization Department in 1985 (alternate member of the 12th CPC Central Committee in September 1985 and alternate member of the 13th CPC Central Committee in November 1987); deputy secretary of the Hunan Provincial CPC Committee and head of the Organization Department in 1989; deputy secretary of the Hunan Provincial CPC Committee in 1990 (alternate member of the 14th CPC Central Committee in October 1992); and deputy secretary of the Shanxi Provincial CPC Committee in September 1993.

**Tianjin Radio Warns Listeners of Forged Banknotes**

*SK1410125593 Tianjin People's Radio in Mandarin  
1000 GMT 13 Oct 93*

[Text] In the past few days, forged banknotes have appeared on the market.

Only the statistics compiled by the (Balitai) branch of the industrial and commercial bank showed that in the past 15 days around the Moon Festival and the National Day, 22 forged banknotes, valued at 1,215 yuan, were discovered.

According to the introduction by this bank, forged banknotes of various denominations were confiscated this time. They included not only 100-yuan and 50-yuan banknotes but also 10-yuan banknotes. The banknotes were made of rough and nonelastic paper. To this end, the bank reminds all social circles to pay attention to the circulation of the forged banknotes, to understand necessary knowledge to oppose forged banknotes, and to jointly deal blows to the activities of committing crimes with forged banknotes.



## Police Seize 45 Kilos of Heroin, Make Arrests

### Arrest 3 Hong Kong Drug Smugglers

OW1810082393 Taipei CNA in English 0745 GMT  
18 Oct 93

[By Lillian Lin]

[Text] Taipei, Oct. 18 (CNA)—Criminal police nabbed three Hong Kong heroin smugglers and seized a record 45 kilograms of heroin in an early morning raid Sunday [17 October].

The Interior Ministry's Bureau of Criminal Investigation made the arrests after being informed by international police forces that 27-year-old Hong Kong gangster Liang Kuei-hua would smuggle a large amount of heroin into Taiwan.

The police set up a task force in late August and Liang's movements were watched. On Sept. 1, Liang came to Taipei to make contact with local drug buyers.

The police found that two of Liang's accomplices flew into Taipei Saturday morning and met with Liang. The investigators did not take action until the three attempted to deliver the heroin to Taiwan contacts.

Police arrested the three outside Liang's Taipei apartment and seized 45 kilograms of heroin, with an estimated market value of NT\$900 million (US\$33.3 million).

Meanwhile, the Ministry of Justice Investigation Bureau (MJIB) also on Sunday cracked an international drug smuggling case and uncovered four kilograms of heroin, worth an estimated NT\$100 million (US\$3.7 million).

Among the five arrested, two were former Hong Kong policemen. The two, Wu Han-tsai and Liu Yien-hsin, had been suspended from their police posts for corruption.

The MJIB was informed earlier that a Hong Kong policeman was suspected of helping smuggle drugs to Taiwan. Wu was targeted as a chief suspect and he was kept under close watch.

Wu was arrested in his apartment where four kilograms of heroin were found packed in 10 bottles of hot pepper paste from Thailand. His four accomplices were later arrested in a Taipei hotel room.

### May Visit Hong Kong To Catch 'Kingpin'

HK1910090893 Hong Kong THE STANDARD in  
English 19 Oct 93 p 3

[Report By Jason Gagliardi]

[Text] Taiwanese narcotics police may visit Hong Kong in a bid to snare the kingpin of a heroin smuggling racket.

Eight Hong Kongers were arrested in two heroin busts in Taipei on Saturday in which 49 kilograms of high-grade heroin worth more than HK\$350 million was seized.

A Taiwan police Criminal Investigation Bureau [CIB] spokesman told The Standard yesterday the busts were Taiwan's biggest coup so far against Hong Kong-based syndicates.

He said the bureau was considering approaching Hong Kong authorities to see whether a team could be sent here for the first time.

The spokesman said the team could work with local officers in tracking the syndicate's kingpin—believed to be a senior figure in the 14K triad.

Local narcotics police were dismissive of a possible visit by Taiwanese counterparts.

"I doubt it would achieve much," one Narcotics Bureau source said.

"There has been no official liaison with Taiwan on this case so far—we have heard more from the press than from Taiwan."

In the biggest bust, police arrested Leung Kwai-wa, 27, Chang Chi-kuang, 22, and Leung King-sam, 22, after seizing a suitcase containing 120 bricks of heroin weighing 45kg.

Investigators refused to reveal how the drugs were smuggled into Taiwan as the investigation was continuing.

The CIB spokesman said Leung Kwai-wa had lived in Taipei for several years and had met up with Chang and Leung King-sam, both Hong Kong residents, who brought the drugs in during last month's Mid-Autumn Festival.

"We had them under surveillance for more than a month, based on intelligence we received," he said.

The men had been placed in custody and would go on trial for drug trafficking in about two months.

"There will be further investigations on the Hong Kong side," he said. "We know the kingpin is still there and it was his drugs these men were trying to sell here."

"During questioning the men said they only knew they were to be approached by a Taiwanese man who would buy the drugs."

"They were waiting for further instructions from Hong Kong on when and where this would happen."

He said the busts were part of a national campaign against drug smuggling.

In the second bust, five Hong Kongers—including two former policemen—were arrested after 4.1kg of heroin in Thai brand chilli sauce bottles was seized at a hotel.

One of the former policemen, Ng Han-choi, 41, a former Emergency Unit officer, served a year in jail for corruption before moving to Taiwan in 1989.

The other, former plain-clothes detective Lau Yin-sing, 51, moved to Taiwan last month after being acquitted on corruption charges.

Ng, Lau and three other Hong Kong men are in the custody of Taiwan's Ministry of Justice Investigation Bureau, who said they would be charged in about two weeks.

Hong Kong Narcotics Bureau superintendent Chris Cantley said Taiwan was a lucrative target for Hong Kong drug lords.

"The wholesale price of a kilogram of heroin is about \$100,000 in Hong Kong—in Taiwan they can get three times that," he said.

#### **Governor 'Condemned' Beijing's Antidrug Efforts**

*OW1910085193 Taipei CNA in English 0808 GMT  
19 Oct 93*

[By Sofia Wu]

[Text] Taipei, Oct. 19 (CNA)—Taiwan Governor Sung Chu-yu sternly condemned Beijing Tuesday [19 October] for failing to take effective steps to prevent drugs from flowing into the entire world, especially the Taiwan area.

"We would like to ask Beijing if it wants to reunify China with drugs," Sung said while commenting on the recent seizure of 49 kilograms of heroin with an estimated street value of NT\$ [new Taiwan dollars] 1.2 billion (NT\$44 million) from Hong Kong smugglers. Police claimed the heroin came from the Golden Triangle, an area that lies partly within the borders of Mainland China.

Sung accused Beijing of trying to destabilize Taiwan by condoning the smuggling of drugs into the island. "We hope Beijing will take immediate measures to curb drug trafficking, which not only affects the mainland, but other countries as well," he added.

Taiwan's drug problem has worsened in recent years. Premier Lien Chan declared a war on drugs earlier this year. People convicted of drug trafficking face 15-year to life sentences or the death penalty.

Police seized 437 kilograms of heroin last year, up 113 percent from 1991. In the first half of this year, 791 kilograms of heroin were already seized.

Police said many of the seized incoming drug traffickers were from Europe, Japan and Hong Kong, indicating that local drug syndicates might be using foreigners to smuggle drugs into Taiwan.

#### **Indirect Cross-Strait Trade Grows in 1993**

*OW1910090193 Taipei CNA in English 0752 GMT  
19 Oct 93*

[By Danielle Yang]

[Text] Taipei, Oct. 19 (CNA)—Taiwan's indirect trade with Mainland China through Hong Kong has grown remarkably during the first nine months of 1993, according to statistics released by the Euro-Asia Trade Organization.

During the January-September period, Taiwan's trade with Hong Kong topped US\$14.92 billion, up 20.2 percent compared with the same period of 1992.

Exports totaled US\$13.65 billion, an increase of 23.3 percent, while imports from the area totaled US\$1.27 billion, down 5.9 percent, the statistics showed.

The Euro-Asia Trade Organization pointed out that increasing exports to the British colony have made Hong Kong Taiwan's fourth largest trading partner, after the United States, Japan, and European Community.

The Hong Kong market has also grown to account for 12.3 percent of Taiwan's total foreign trade, up from 10.9 percent, the statistics showed.

#### **Investment in Mainland Reaches \$2.69 Billion**

*OW1910093493 Taipei CNA in English 0754 GMT  
19 Oct 93*

[By Danielle Yang]

[Text] Taipei, Oct. 19 (CNA)—Approved indirect investments in Mainland China amounted to US\$2.69 billion in the first nine months of 1993, according to the Economics Ministry's investment commission.

During the period, the commission approved 8,796 mainland investment projects, with 973 targeting Shanghai and 715 focusing on Shenzhen.

Taiwan investments topped US\$100 million in five cities, including Shanghai, Dongguan, Guangzhou and Shenzhen in Guangdong Province and Xiamen, Fujian Province.

Among them, Shanghai attracted the most capital with US\$335.86 million, Dongguan came next with US\$218 million.

Electronics and electric appliance industry as well as plastic manufacturing industry each attracted capital in excess of US\$300 million.

## Hong Kong

### Wang Hanbin Outlines Stand on Sino-British Talks

OW1510140793 Beijing XINHUA in English 1352  
GMT 15 Oct 93

[Text] Beijing, October 15 (XINHUA)—In the Sino-British talks on the Hong Kong issue, China will not accept any violations of the three principles previously reached between the two countries, a Chinese official said here today.

Vice-chairman of the Standing Committee of the National People's Congress (NPC) Wang Hanbin outlined China's stand on the Hong Kong issue in a meeting with a visiting delegation from the Urban Council of Hong Kong.

Wang said the British side had a "poor" record in abiding by the Sino-British Joint Declaration.

"We hope the two sides will cooperate positively and reach an agreement on the basis of the Sino-British Joint Declaration, the Basic Law and the understandings and agreements already reached between China and Britain," he said.

The vice-chairman added, "only in this way can a smooth transition for Hong Kong be ensured. This is also the wish of the Hong Kong people."

He expressed welcome to the visiting Hong Kong delegation.

The delegation arrived in Beijing on Wednesday [13 October].

### Editorial Urges Patten 'To Change Course'

HK1910114993 Hong Kong WEN WEI PO in Chinese  
19 Oct 93 p 2

[Editorial: "Without Agreement, It Is Impossible To Ensure Smooth Transition"]

[Text] Chris Patten announced in his policy address that "we now have weeks rather than months to conclude these talks." He still clings to his political reform package, and said that "we are not prepared to give away our principles in order to sign a piece of paper." Because the British side has adopted the attitude of setting obstacles to the talks, Hong Kong people should carefully watch the British side's stubborn actions, which could make it impossible to have a smooth transition.

The British side has disclosed that, even if there is no agreement, it will still be possible to separate the economy from politics and that there will not be chaos or any problems. When the British side assessed the situation in this way, it lacked law and reason as a basis on the one hand and ignored the situation of the implementation of the Joint Declaration on the other. Patten thinks that as long as the British side can unilaterally carry out political reform and create a fixed situation, then those organs elected in 1994 and 1995 can serve until 1999, two years longer than the period they should serve. He thinks that by

then China will not repudiate the British side's political reform package, the political power group picked by Patten can settle into the framework of the Special Administrative Region [SAR] Government, and Hong Kong will be run by agents selected and groomed beforehand by the British. This is totally wishful thinking.

The talks on the electoral arrangements in 1994/95 are being held according to an international agreement, and this is not without a reason. This agreement was the outcome of diplomatic exchanges between the Chinese foreign minister and the British foreign secretary in 1990. At that time, China and Britain reached an agreement after discussions. The agreement was that if the elections in 1994 and 1995 could converge with the Basic Law, then, after the Preparatory Committee for the Hong Kong SAR had confirmed that the establishment and personnel were in accordance with the provisions of the Basic Law, and, if the organization of the last Hong Kong Legislative Council was viewed by the Preparatory Committee for the Hong Kong SAR as being in accordance with the provisions of the Decision on the Method for the Formation of the First Government and the First Legislative Council of the Hong Kong SAR, then it could transit smoothly.

So long as the British side can discharge its duties according to the agreement and can make proper arrangements for the 1994 and 1995 elections, then the Preparatory Committee of the Hong Kong SAR, which will be established in 1996, will naturally derive a concrete method for forming the first Legislative Council according to the agreement to ensure that the framework of the Legislative Council in 1995 can extend to 1999. If no agreement is reached, then it is "a big deal," because Hong Kong will not have a smooth transition of its political system, and even Patten cannot deny this inevitable consequence.

Hong Kong is an economic city, not an international political city or a base for waging a cold war against communism and China. During the four years of drafting the Basic Law, a great majority of Hong Kong people and investors strongly urged China and Britain to cooperate in the area of the political system and to refrain from heading in different directions, because political confrontation will inevitably bring about repercussions on society and the economy, because when the city gate catches fire, the fish in the moat suffer. As the Basic Law is the supreme legal document after 1997, the political system in 1995, therefore, should be geared to the track of the Basic Law beforehand to ensure the through train can run. When the Chinese side promulgated the Basic Law in April 1990, the British side held an affirmative attitude and recommended it to residents, saying that it was a good legal document.

If no agreement can be reached and Patten unilaterally promotes political reform, this means that the British side has broken the promise it made in 1990 and is dismantling the through train's compartments and the track. If agreement on the through train cannot be reached, then, regarding the concrete method for forming the first Legislative Council, the Preparatory Committee of the Hong

Kong SAR in 1996 can only handle things according to the original principles of gradual and orderly progress and balanced participation as stipulated in the Basic Law.

What is the foundation for cooperation and trust between China and Britain during the transitional period? It can only be the Joint Declaration. Annex II of the Joint Declaration stipulates that all affairs straddling 1997 and all affairs relating to the transfer of political power should be discussed and settled by the Joint Liaison Group and by friendly cooperation between the governments of the two countries. Before Patten took the office of Hong Kong governor, China and Britain cooperated very well. However, after Patten became Hong Kong governor he trampled and undermined this kind of cooperative mechanism. If he does not handle things according to Annex II of the Joint Declaration, and, if he unilaterally implements political reform, this means that he does not want to observe the treaty's obligations to hand over political power smoothly, he does not want to allow China to regain sovereignty smoothly, and he wants to groom pro-Britain and anti-China elements to confront the Chinese Government to jeopardize China's reunification undertaking and create trouble and chaos. In this way, relations of mutual trust between China and Britain can hardly exist. Can China and Britain really cooperate in other areas without relations of mutual trust?

Under the political condition where the pro-Britain and anti-China faction vigorously seeks confrontation, will this

not lead to an internal split in Hong Kong? Under conditions of political uncertainty and disturbances, will this not affect the confidence among investors?

History proves that the better Sino-British relations are, the more prosperous is Hong Kong's economy: when Sino-British relations are at a low ebb, economic and livelihood issues in Hong Kong will be involved. Although the Chinese Government will attach importance to the issue of the people's livelihood in Hong Kong and is therefore willing to separate politics and the economy, the lack of a foundation of trust for close cooperation makes it impossible to have long-term, large-scale plans. The British side keeps using the method of "I build large projects, give all the bids to British consortia, and let the future SAR pay the bill." Will the Chinese side allow the British side to grab things without restraint? Even if there has to be cooperation, the interests of the SAR should be protected: carrying out negotiations without a basis of trust will naturally meet many obstacles. Patten keeps saying that "there should not be mutual suspicion," but it was precisely Patten who in the past year has destroyed the mechanism for friendly discussions and cooperation prescribed by the Joint Declaration, broke promises, and created mutual suspicion. He has not reflected on how he destroyed good relations of mutual trust but has blamed others. Is it not true that he lacks self-knowledge? Now it is time for Patten to change course.



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